

NEW APPLICATION
ORIGINAL



0000010104

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Tempe, Arizona 85282
Telephone: (602) 224-9222 Fax: (480) 345-0412
Attorneys for Sunrise Utilities, L.L.C.

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2004 AUG 17 A 9:48

AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION WS-04247A-04-0604

IN THE MATTER OF THE APPLICATION OF ~~Arizona Corporation Commission~~ DOCKET NO. WS-04247A-04-____
SUNRISE UTILITIES, L.L.C. FOR A **DOCKETED**
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN MOHAVE COUNTY, ARIZONA. AUG 17 2004 APPLICATION

DOCKETED BY

CR

Sunrise Utilities, L.L.C. (the "Company" or "Applicant") submits this Application for a water and wastewater Certificate of Convenience and Necessity. In support of this Application, the Company states as follows:

1. On March 23, 2004, the Company filed a water and wastewater Certificate of Convenience and Necessity Application with the Commission in Docket No. WS-04247A-04-0217.
2. On April 22, 2004, Staff notified the Applicant that the Application was deficient, and that the items set forth in the **Tab A** hereto were required to complete the sufficiency.
3. The Company was unable to obtain and all required information prior to Administrative Closure of that Docket in Order 67122.
4. The Company has now obtained the required information which is attached hereto as **Tab B** to this Application.
5. A copy of the revised and completed Application for a Certificate of Convenience and Necessity ("CC&N") as required by the Commission is attached hereto as **Tab C**.

1 6. Copies of the Requests for Service from certain owners of the Subject Area,
2 supporting the Application are attached as **Tab D**.

3 7. The Subject Area presently includes an area for which a water CC&N has been
4 issued to Beaver Dam Water Company. A companion Deletion Application has been filed in
5 Docket No. W-03067A-04-0216, which if granted by the Commission, will eliminate that
6 conflict.

7 8. The Company proposes to provide service to the Subject Area under the rates,
8 charges, terms and conditions as set forth in the proposed Tariff in **Attachment 4 to Tab C**
9 hereto, as those rates may be amended by appropriate regulatory action.

10 9. The Company will provide the form of notice attached as **Attachment 8 to Tab**
11 **C**, as that notice may be modified by the Procedural Order in this Docket, and file an Affidavit
12 to that effect with Docket Control upon completion of said notice.

13 WHEREFORE, the Company respectfully requests that the Commission hold a hearing
14 on this Application as soon as practicable, and thereafter issue an order granting the requested
15 water and sewer Certificates of Convenience and Necessity.

16 Respectfully submitted this 16th day of August 2004.

17 SALLQUIST & DRUMMOND, P.C.

18 

19 By: _____
20 Richard L. Sallquist
21 SALLQUIST & DRUMMOND, P.C.
22 4500 S. Lakeshore Drive, suite 339
23 Phoenix, AZ 85016
 Attorneys for Sunrise Utilities, L.L.C.

1 The original and fifteen copies of
2 the foregoing were filed this 21st
day of August, 2004:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington St.
Phoenix, AZ 85007
12/21/04

TABS

A. April 22, 2004 Notice of Deficiency

B. Completed Deficiency Items 1 through 7

C. CC&N Application Form

D. Requests for Service

A

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES



BRIAN C. McNEIL
Executive Secretary

ARIZONA CORPORATION COMMISSION

April 22, 2004

Richard Sallquist
Sallquist & Drummond
2525 East Arizona Biltmore Circle
Suite 117
Phoenix, Arizona 85016

Re: Sunrise Utilities, L.L.C. - Application for a Certificate of Convenience and Necessity (CC&N) Docket WS-04247A-04-0217

Dear Mr. Sallquist,

In reference to the Sunrise Utilities, L.L.C. Application for a Certificate of Convenience and Necessity, docketed March 23, 2004, this letter is to inform you that the application has not met the sufficiency requirements as outlined in Arizona Administrative Code.

1. Please provide a copy of the approved Mohave County Council of Governments §208 plan, any subsequent amendments to the §208 plan, and any proposed amendments to the §208 plan for the proposed wastewater certificated area.
2. If the information is not contained in the §208 plans, please submit a master wastewater design report which clarifies how wastewater service will be provided to the proposed CC&N area.

The report should identify the location of existing and future wastewater treatment plants and major wastewater interceptors. It should also provide the capacities of existing and future wastewater treatment plants, any existing service base in the proposed C&N, service connections at build out in the proposed CC&N, estimated wastewater flow from a typical dwelling unit.

The report should also include the estimated wastewater total flows or contributions from future build out within the proposed CC&N, the timing or construction phasing of facilities and methods of effluent disposal.

Please include any other information which will allow the Commission to analyze and conclude that the company has sufficient wastewater treatment capacity, or can develop enough treatment capacity to service the existing and future demands from the proposed CC&N.

TAB A

3. Please provide a copy of the Arizona Department of Environmental Quality's "Aquifer Protection Permit" for the wastewater treatment plant. If that permit has not been issued, please inform the Commission of the status of the application for that permit.
4. Please submit a drinking water design report which clarifies how water will be provided to the proposed CC&N extension.

The report should identify existing and future sources, the capacities of existing sources, the estimated capacities of future sources and any existing demand on the present water sources.

The report should include the estimated water demand from a typical dwelling unit, the estimated demand from the proposed CC&N.

The report should identify the location of future and existing transmission mains and include the timing or construction phasing of facilities.

The design report should describe water quality and address any water quality problems with the existing and future sources of water (as an example, will extra treatment costs arise in order to meet existing or future maximum contaminant levels for arsenic nitrates or fluorides in the drinking water?).

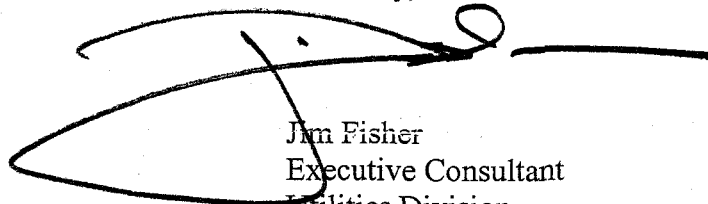
Please provide any other information which will allow the Commission to analyze and conclude that the company has sufficient water production capacity, or can develop enough drinking water capacity to service the existing and future demands from the proposed CC&N.

5. Please provide a set of design plans for the proposed water and wastewater facilities.
6. Please provide an estimate of the water and sewer construction costs to the Sunrise Utilities L.L.C., necessary to serve the proposed CC&N. The costs should include a description of the major components with the cost of the component (i.e., 500,000 gallons per day sequencing batch wastewater treatment, lineal feet of off-site sewage interceptors or collection mains, lineal feet of on site collection mains, wells, number and size of storage tanks, etc.). The method of financing for the major components should be specified.
7. Historically Staff has not recommended hook-up fees for newly starting water and wastewater utilities. It is likely Staff will adopt a similar position for this application. However, since hook-up fees for water and wastewater have been requested in your application, please describe how the amounts of the proposed hook-up fees were derived, how they were allocated to customer classes, and how the fees will be used.

Per Arizona Administrative Code upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing a proposed Opinion and Order to present to the Commission at an Open Meeting.

Should you have any questions or concerns on this matter, please contact me at (602) 542-0839.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Fisher", with a large, sweeping loop at the end.

Jim Fisher
Executive Consultant
Utilities Division
Arizona Corporation Commission

C: Docket Control
Lyn Farmer
Dorothy Hains
Brian Bozzo

B

DEFICIENCY ITEMS

Item 1. Please see attached. A single copy of the companion CD is filed under separate cover.

Item 2. Please see Item 1.

Item 3. The Company's engineer will file the Application for the Aquifer Protection Permit within 14 days of this Application.

Item 4. Please see attached.

Item 5. Due to the voluminous report and oversized drawings, single copies of that report and the supporting drawings are being filed under separate cover.

Item 6. Please see attached.

Item 7. The proposed Hook-up Fees are computed in Schedule 8 and Schedule 9 of Attachment 3 to Tab C, copies of which are attached hereto for your convenience. Those Hook-up Fees are also set forth in the proposed Tariff, contained in TAB C, Attachment 4, Sheets 9 and 27. The Company is of the opinion that the proposed HUF levels are still appropriate. The risk of development in this area is such that the use of HUF's properly places a portion of that risk on the Developer.

Please note that the revised five-year construction budgets for water has been increased by \$256,687, and the wastewater budget has been reduced by \$352,203. Those adjustments bring the water and wastewater Backbone Plant costs per unit to \$2,668 and \$1,903 respectively. At the revised construction costs, the proposed HUF level is reduced to a Developer participation of 56 percent of the cost for water facilities, and increases the wastewater participation to approximately 91 percent. The combined participation for water and wastewater facilities is approximately 71 percent of the total Backbone Plant cost. The resultant Depreciation Expenses and Operating Incomes change by approximately \$10,000 and \$13,000 respectively. The Rates of Return on those adjusted Rate Bases during the first five years of operation still remain negative or quite low. Therefore, the original rates proposed in the Company's March, 2004 filing have not been revised.

TAB B

Mohave County 208 Water Quality Management Plan

Prepared for:

Mohave County
PO Box 7000
3675 E. Highway 66, Suite A
Kingman, Arizona 86402-7000

Prepared by:
Stantec Consulting
Himes Consulting LLC

September 2003

MOHAVE COUNTY SECTION 208
WATER QUALITY MANAGEMENT PLAN

Items 1 & 2

TABLE OF CONTENTS

4.1.1	Assessment of Decentralized Systems	45
4.1.2	Alternative Systems	50
4.1.3	Compliance and Enforcement	52
4.1.4	Recommendations	53
4.2	CENTRALIZED WASTEWATER TREATMENT SYSTEMS.....	54
4.2.1	Existing Facilities	54
4.2.2	General Compliance Issues	65
4.2.3	Recommendations	65
4.3	EFFLUENT DISPOSAL	68
4.4	BIOSOLIDS DISPOSAL.....	68
4.5	PRETREATMENT	69
4.6	FINANCING OPTIONS – DECENTRALIZED/CENTRALIZED SYSTEMS.....	70
4.6.1	Arizona State Water Revolving Fund	Error! Bookmark not defined.
4.6.2	Nonpoint Source Pollution Grants	71
4.6.3	USDA Rural Utilities Service	72
4.6.4	U.S. Department of Housing and Urban Development	72
4.7	SOLID WASTE.....	72
4.7.1	Solid Waste Disposal Site Inventory	73
4.7.2	Household Hazardous Waste	73
4.7.3	Septage Effluent	75
4.7.4	Recommendations	75
4.8	UNDERGROUND STORAGE TANKS (USTs)	75
5.0	NONPOINT SOURCE MANAGEMENT.....	80
5.1	AVAILABLE NONPOINT SOURCE MANAGEMENT PROGRAMS	80
5.2	NONPOINT SOURCE POLLUTION CATEGORIES	80
5.2.1	Agriculture	81
5.2.2	Forest Management and Grazing	82
5.2.3	Resource Extraction	82
5.2.4	Urban Runoff	83
5.2.5	Road Runoff	83
5.2.6	Construction Site Runoff	84
5.2.7	Landfill Disposal	84
5.3	DEMONSTRATION PROJECTS.....	85
5.4	RECOMMENDATIONS.....	86
6.0	DRINKING WATER SYSTEMS.....	87
6.1	STATE AND FEDERAL REQUIREMENTS FOR DRINKING WATER SYSTEMS.....	87
6.1.1	Design and Operation	87
6.1.2	Water Quality Standards and Monitoring	88
6.2	EXISTING SYSTEMS	89
6.2.1	Lake Havasu City	90
6.2.2	City of Kingman	90
6.2.3	Bullhead City and Mohave Valley	90

service but the County does not have a requirement for hook-up to regional service providers. Arizona-American Water Co. operates the Sun Lakes plant north of Lake Havasu City, which has a capacity of 50,000 mgd, with current flows averaging 0.025 mgd. Arizona-American Water Co. also owns and operates the Gateway system located south of Topock, which has a capacity of 0.112 mgd.

Desert Fountain Estates, outside the Kingman City limits, is proposing a sewage vault system for temporary storage until a treatment plant can be built. Dominion's APP was recently approved for their Griffith WWTP, located off of the Griffith and Interstate 40 interchange.

Beaver Dam/Littlefield. There are two small wastewater treatment plants operating in this area. One is a package plant with a capacity of 0.37 mgd serving Beaver Dam Estates. The Biasi Lagoon serves the Virgin Acres area. The Scenic Improvement District is being formed to serve the area shown on Figure 14. The Virgin River Domestic Wastewater Improvement District service area is shown in Figure 15.

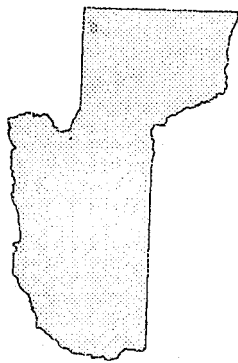
4.2.2 General Compliance Issues

All sewage treatment facilities must be in conformance with Certified Areawide Water Quality Management Plans, Facility Plan or General Plans prepared consistent with Section 208 of the Federal Clean Water Act per R18-5-303.

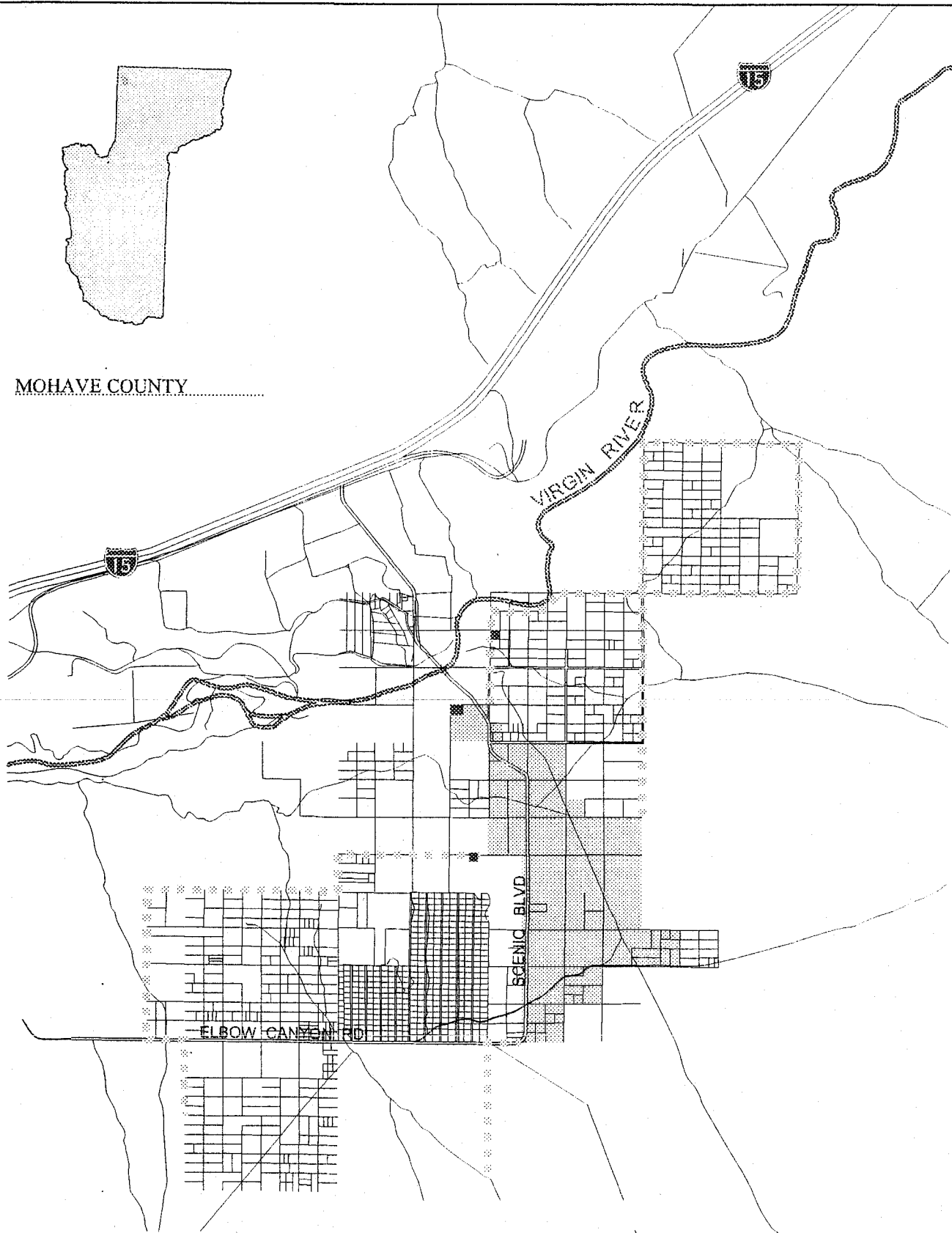
4.2.3 Recommendations

The key issue identified in the County is providing adequate centralized wastewater facilities. The following are recommendations to assist in future planning:

- Support organizing systems for urban and suburban growth and development, and coordinating wastewater service planning with providers at a regional level.
- Support establishment of regional system boundaries.
- Consider sewer hookups where service is available and extending service to those lots near to regional service.
- Support consistent application of regional hook-up requirements in unincorporated areas of the County.
- Support tie-in of Mohave Valley systems to FMTUA, Arizona-American Water Co., or other regional systems.



MOHAVE COUNTY.....



- *** FUTURE SERVICE AREA
- IMMEDIATE SERVICE AREA
- FUTURE TREATMENT CENTERS



Stantec



MOHAVE COUNTY
SECTION 208 PLAN

Figure No. 14

TITLE: SCENIC IMPROVEMENT
DISTRICT

Project Number: 81370066

PRELIMINARY DESIGN REPORT

SUNRISE UTILITIES WATER SYSTEM, SCENIC, AZ

The Sunrise Utilities Water Company was created, and is to be funded, owned, operated and maintained by a group of real estate investors/developers who have been active in the Scenic, Arizona, area for the past ten years or more. During this time the group has acquired property and water rights; and has drilled, cased and capped over ten potable water wells in the Scenic area in anticipation of the development which would be brought to the area through the construction of a new bridge across the Virgin River and a new paved road into Scenic, heretofore only accessible by dirt roads and jeep trails. With the completion of the new bridge and road two years ago, the Sunrise Utilities group formulated plans, in conjunction with Mohave County's Master Plan for urban development in the area, for new community water and wastewater systems (see enclosed service area maps) to service at least four new residential subdivisions planned along both sides of the new road, Scenic Boulevard. It is anticipated that approximately 460 new single-family residences will be constructed along Scenic Boulevard in the next three to five years.

The first phase of these new community utilities will consist of a 150,000 gallon per day (GPD) wastewater treatment plant and a new 150,000 GPD water plant with well, storage and pumping capacity to handle the culinary water needs of 600 new homes including a 30,000 gal. (min.) emergency fire reserve. The Phase I water plant will be expanded to an ultimate capacity of 300,000 GPD, with 60,000 gal. minimum fire reserve, through well/pump modifications and additional storage/pumping capacity. Beyond this expansion, an additional pumping/storage site, supplied by two or more of the existing Sunrise Utilities wells, and tied into the existing Phase I water distribution system, will be provided.

During September, 2003, testing was performed on both wells by Evans Drilling, Beaver Dam, Arizona, with representatives of TEC Engineering Inc., Mesquite, Nevada, the authors of this report and designers of the water system, inspecting well construction, witnessing drawdown testing and obtaining water samples for analysis. The following data is representative of both existing wells to be utilized in the Phase I water system:

Well location: NE1/4 SW1/4 Section 11, Township 39N, Range 16W, Scenic,
Mohave County, AZ

Well depth: 286 ft.

Static Water Level: 224.5 ft.

Pump depth: 265 ft.

Casing size: 10 in.

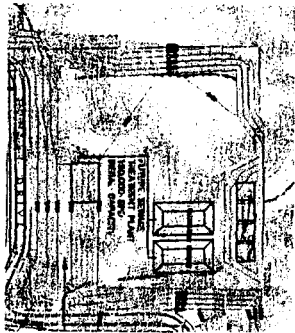
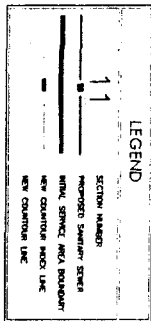
Casing perforations: 240 ft. to 280 ft.

<u>Gallons/Min/Pumped (GPM)</u>	<u>Water Level (ft.)</u>	<u>Drawdown (ft.)</u>
50	233	8.5
100	240	15.5
125	243	18.5
150	249	24.5

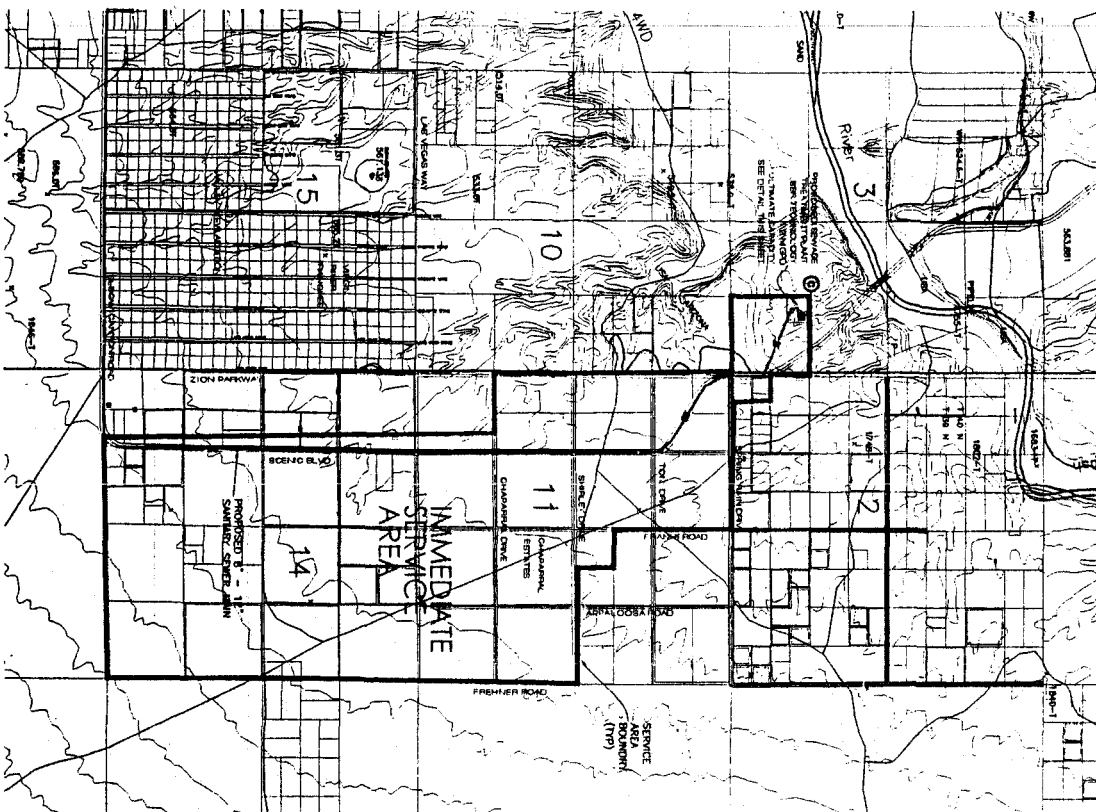
Based on this data, well pumping and piping will be sized to provide an output of 105 GPM from each well; each well pump alternating operation for a maximum runtime of 12 hours per day per pump. For Phase 2 operation well pumping capacity will be increased to 210 GPM per well, if drawdown permits, otherwise pumping capacity will be increased to 150 GPM from each well and simultaneous well pump operation, for periods up to eight hours, will be required.

Initial water quality samples taken from both wells were analyzed by NEL Laboratories, Las Vegas, Nevada, for maximum contaminant levels (MCL). As NEL's enclosed report indicates, MCL's from both wells preclude the need for filtration, softening, defluoridation, iron/manganese removal or disinfection at the storage/pumping site.

SCENIC AREA PROPOSED WASTEWATER DISTRICT SERVICE MAP



STP SITE DETAIL
SCALE 1" = 100'



LEGEND

1 1

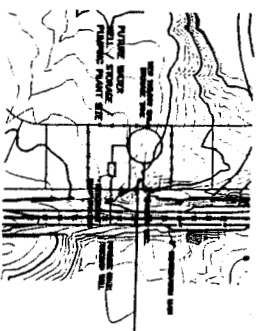
SECTION NUMBER

PROPOSED WATER MAIN

WATER SERVICE AREA BOUNDARY

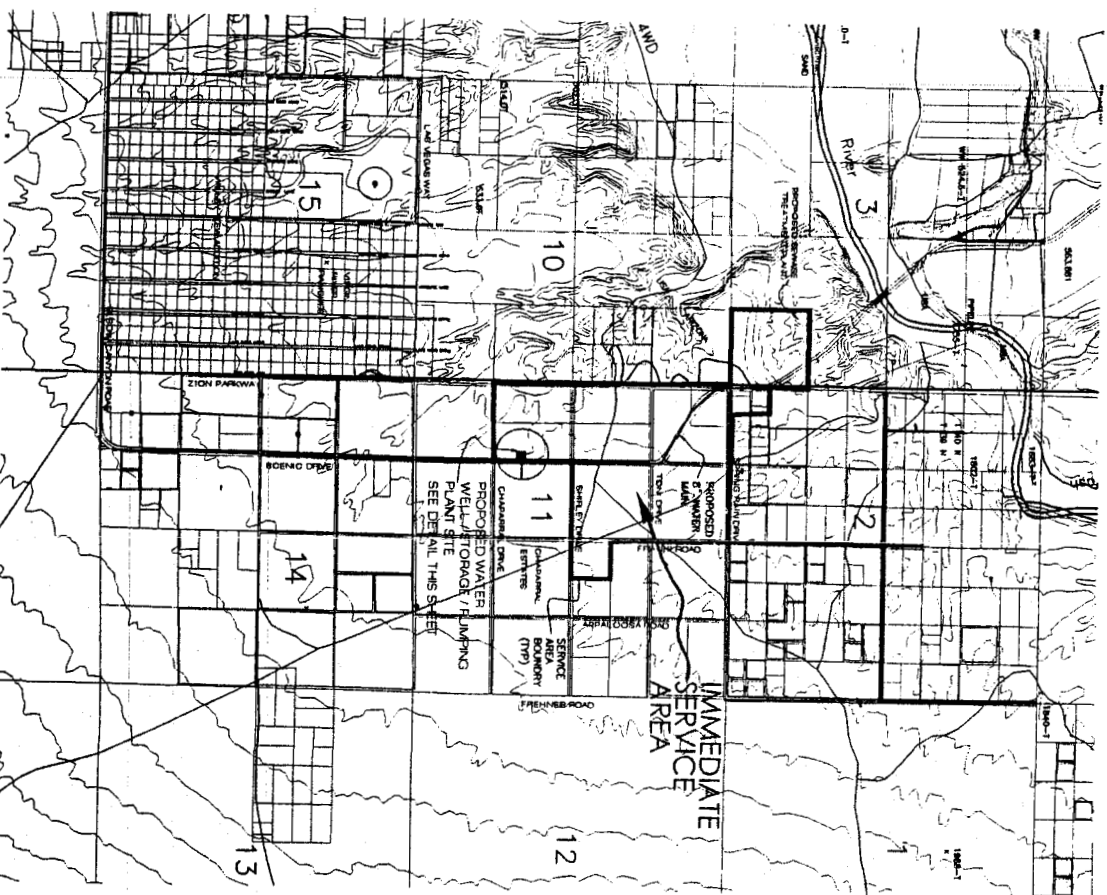
NEW COASTAL ROAD LINK

NEW DRAINAGE LINK

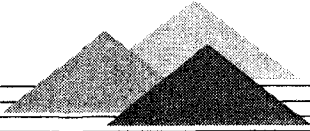


WATER PLANT SITE DETAIL

SCALE: 1" = 100'



NEL LABORATORIES



Corporate Headquarters
6490 S. McCarran Blvd. # D-30
Reno, NV 89509
Phone: 775.348.2522
Fax: 775.348.2546

Las Vegas Laboratory
4208 Arcata Way, Suite A
Las Vegas, NV 89030
Phone: 702.657.1010
Fax: 702.657.1577

George Ciminskas
TEC Engineering Inc.
450 Hillside Dr.
Mesquite, NV 89027

TEL: 702-346-2280
FAX: 702-346-3580

RE Project: **Scenic Az Water Systems**

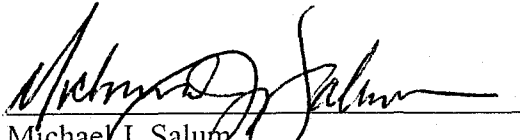
Order No.: **L0309068**

Dear George Ciminskas:

NEL Laboratories, Las Vegas received 2 samples on 9/5/03 10:15:00 AM for the analyses presented in the following report.

There were no problems with the analyses and all data for associated QC met EPA or laboratory specifications unless noted in the Case Narrative.

If you have any questions regarding these tests results, please feel free to call.


Michael J. Salun
Laboratory Director


Date

Certifications:

Arizona	AZ0518
California	2002
Nevada	NV052

Albuquerque
866.360.5726

Boise
800.200.2952

Las Vegas
888.368.3282

Phoenix
888.238.2514

Reno
800.368.5221

Sacramento
800.368.5221

NEL Laboratories, Las Vegas

Date: 17-Sep-03

CLIENT: TEC Engineering Inc.
Lab Order: L0309068
Project: Scenic Az Water Systems
Lab ID: L0309068-001

Client Sample ID: Scenic Az Well #1
Collection Date: 9/4/03 7:00:00 PM

Matrix: DRINKING WATER

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
TOTAL COLIFORMS IN DRINKING WATER						
		M9223 B				Analyst: PJJ-L
Total Coliforms	Present			P/A	1	9/5/03
Escherichia coli (E.coli)	Absent			P/A	1	9/5/03
TOTAL METALS BY EPA 200.7 (ICP/OES)						
		E200.7				Analyst: VVG-L
Copper	ND	0.00400		mg/L	1	9/12/03 3:48:00 PM
Iron	0.744	0.100		mg/L	1	9/12/03 3:48:00 PM
Magnesium	24.8	0.500		mg/L	1	9/12/03 3:48:00 PM
Manganese	0.0346	0.00500		mg/L	1	9/12/03 3:48:00 PM
Sodium	70.6	0.250		mg/L	1	9/16/03 10:49:00 AM
Zinc	ND	0.100		mg/L	1	9/12/03 3:48:00 PM
TOTAL METALS BY EPA 200.8 (ICP/MS)						
		E200.8				Analyst: KEH-L
Arsenic	0.0121	0.00100		mg/L	1	9/15/03 3:36:12 PM
Lead	ND	0.00100		mg/L	1	9/15/03 3:36:12 PM
ANIONS BY ION CHROMATOGRAPHY						
		E300				Analyst: RDA-L
Chloride	77	10		mg/L	100	9/11/03
Nitrate, as N	1.7	0.50		mg/L	5	9/5/03
Sulfate	100	10		mg/L	100	9/11/03
FLUORIDE						
		M4500-F C				Analyst: RDA-L
Fluoride	2.0	0.40		mg/L	1	9/12/03
PH						
		E150.1				Analyst: PJJ-L
pH	7.94	1.00		pH units	1	9/5/03
TOTAL DISSOLVED SOLIDS						
		M2540 C				Analyst: JTM-L
Total Dissolved Solids	368	15.0		mg/L	1	9/8/03

Qualifiers: ND - Not Detected at the Reporting Limit
J - Analyte detected below quantitation limits
B - Analyte detected in the associated Method Blank
* - Value exceeds Maximum Contaminant Level

S - Spike Recovery outside accepted recovery limits
R - RPD outside accepted recovery limits
E - Value above quantitation range

NEL Laboratories, Las Vegas

Date: 17-Sep-03

CLIENT: TEC Engineering Inc.
Lab Order: L0309068
Project: Scenic Az Water Systems
Lab ID: L0309068-002

Client Sample ID: Scenic Az Well #2
Collection Date: 9/4/03 7:00:00 PM

Matrix: DRINKING WATER

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
TOTAL COLIFORMS IN DRINKING WATER						
		M9223 B				Analyst: PJJ-L
Total Coliforms	Present			P/A	1	9/5/03
Escherichia coli (E.coli)	Absent			P/A	1	9/5/03
TOTAL METALS BY EPA 200.7 (ICP/OES)						
		E200.7				Analyst: VVG-L
Copper	ND	0.00400		mg/L	1	9/12/03 3:52:00 PM
Iron	0.658	0.100		mg/L	1	9/12/03 3:52:00 PM
Magnesium	24.2	0.500		mg/L	1	9/12/03 3:52:00 PM
Manganese	0.0328	0.00500		mg/L	1	9/12/03 3:52:00 PM
Sodium	68.9	0.250		mg/L	1	9/16/03 10:53:00 AM
Zinc	ND	0.100		mg/L	1	9/12/03 3:52:00 PM
TOTAL METALS BY EPA 200.8 (ICP/MS)						
		E200.8				Analyst: KEH-L
Arsenic	0.0116	0.00100		mg/L	1	9/15/03 3:53:58 PM
Lead	ND	0.00100		mg/L	1	9/15/03 3:53:58 PM
ANIONS BY ION CHROMATOGRAPHY						
		E300				Analyst: RDA-L
Chloride	86	10		mg/L	100	9/11/03
Nitrate, as N	1.7	0.50		mg/L	5	9/5/03
Sulfate	110	10		mg/L	100	9/11/03
FLUORIDE						
		M4500-F C				Analyst: RDA-L
Fluoride	2.2	0.40		mg/L	1	9/12/03
PH						
		E150.1				Analyst: PJJ-L
pH	7.95	1.00		pH units	1	9/5/03
TOTAL DISSOLVED SOLIDS						
		M2540 C				Analyst: JTM-L
Total Dissolved Solids	375	15.0		mg/L	1	9/8/03

Qualifiers:
 ND - Not Detected at the Reporting Limit
 J - Analyte detected below quantitation limits
 B - Analyte detected in the associated Method Blank
 * - Value exceeds Maximum Contaminant Level

S - Spike Recovery outside accepted recovery limits
 R - RPD outside accepted recovery limits
 E - Value above quantitation range

NEL Laboratories, Las Vegas

Date: 15-Sep-03

CLIENT: TEC Engineering Inc.
Project: Scenic AZ Public Water Systems

Lab Order: L0309134

Lab ID: L0309134-001

Collection Date: 9/10/03 7:10:00 AM

Client Sample ID: Well #1 Scenic

Matrix: DRINKING WATER

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
----------	--------	-------	------	-------	----	---------------

TOTAL COLIFORMS IN DRINKING WATER **M9223 B** Analyst: PJJ-LV

Total Coliforms	Absent			P/A	1	9/10/03
-----------------	--------	--	--	-----	---	---------

Escherichia coli (E.coli)	Absent			P/A	1	9/10/03
---------------------------	--------	--	--	-----	---	---------

Lab ID: L0309134-002

Collection Date: 9/10/03 7:15:00 AM

Client Sample ID: Well #2 Scenic

Matrix: DRINKING WATER

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
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TOTAL COLIFORMS IN DRINKING WATER **M9223 B** Analyst: PJJ-LV

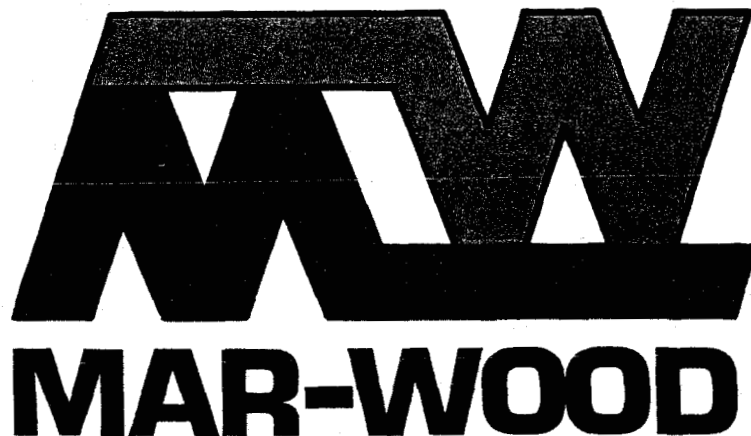
Total Coliforms	Absent			P/A	1	9/10/03
-----------------	--------	--	--	-----	---	---------

Escherichia coli (E.coli)	Absent			P/A	1	9/10/03
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Qualifiers: ND - Not Detected at the Reporting Limit
J - Analyte detected below quantitation limits
B - Analyte detected in the associated Method Blank
* - Value exceeds Maximum Contaminant Level

S - Spike Recovery outside accepted recovery limits
R - RPD outside accepted recovery limits
E - Value above quantitation range

SUBMITTAL DATA
SCENIC, ARIZONA AREA
WASTEWATER TREATMENT PLANT
MESQUITE, MOHAVE COUNTY, ARIZONA
MODEL 1-8-150 DN



WASTEWATER TREATMENT PLANTS
WATER STORAGE TANKS
LIFT STATIONS

Item 5

PROPOSED WATER SYSTEM SUNRISE UTILITIES PHASE I SCENIC, ARIZONA

PROJECT:

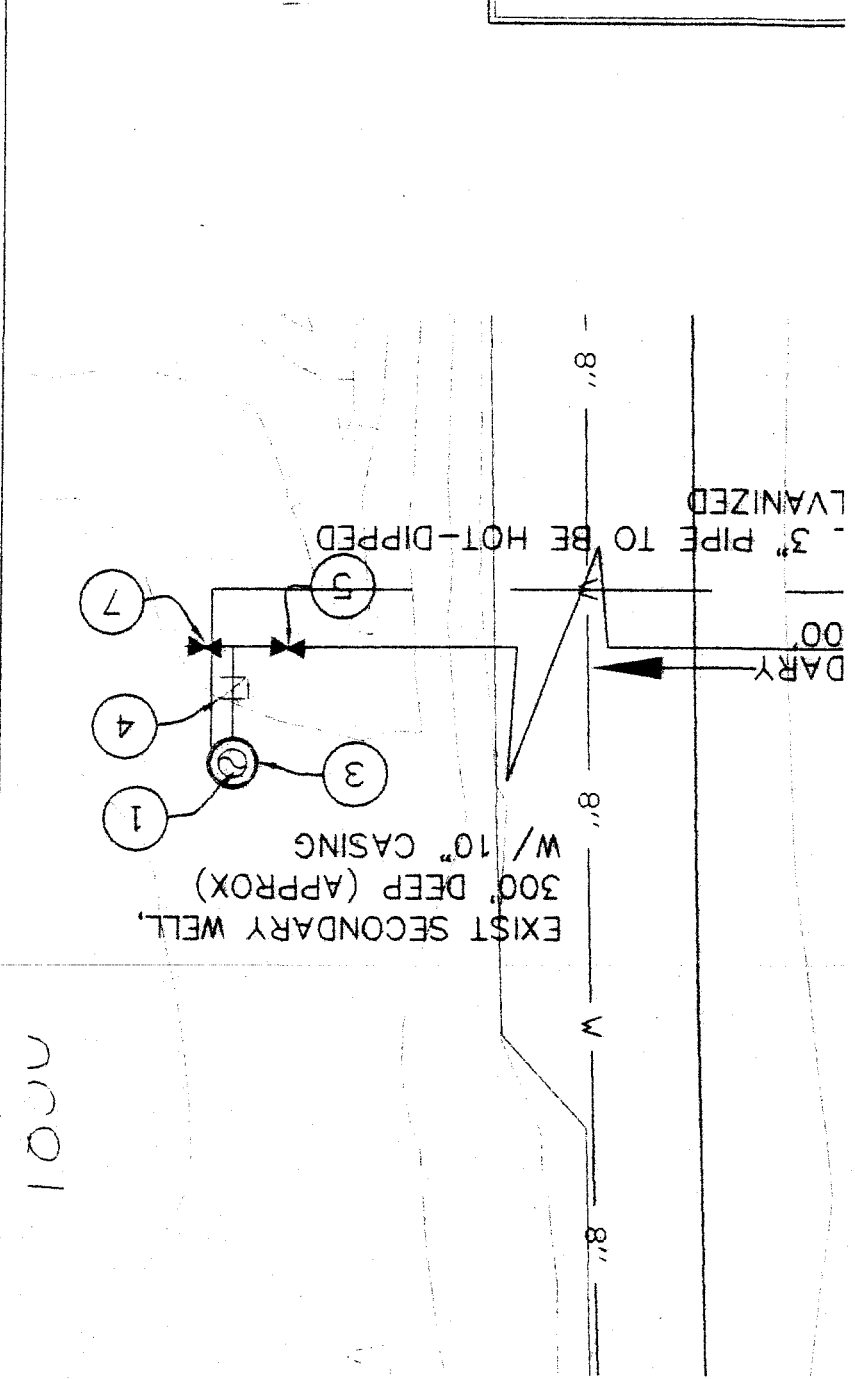
LEGEND

EXISTING CONTOURS

8" DISTRIBUTION LINE

6" SUPPLY LINE

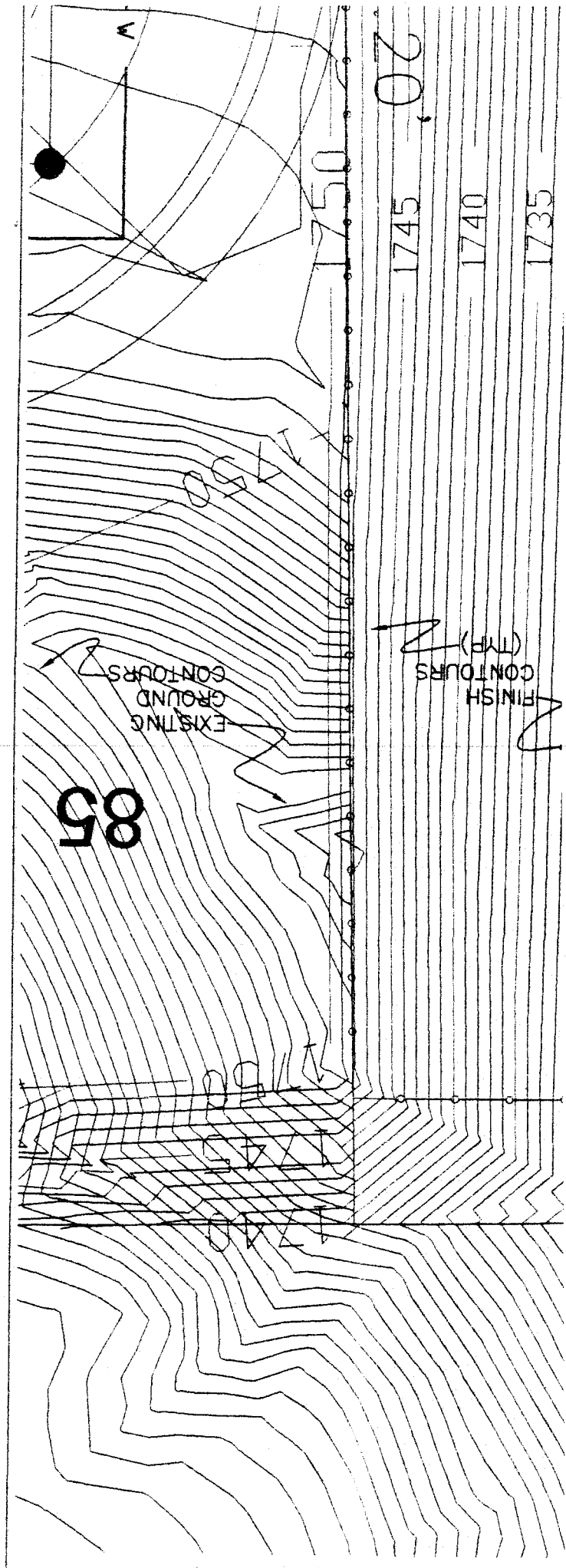
PERIMETER SECURITY FENCE



0001

P.O. Box 3630
Mesquite, Nevada 89024
(702) 346-2280



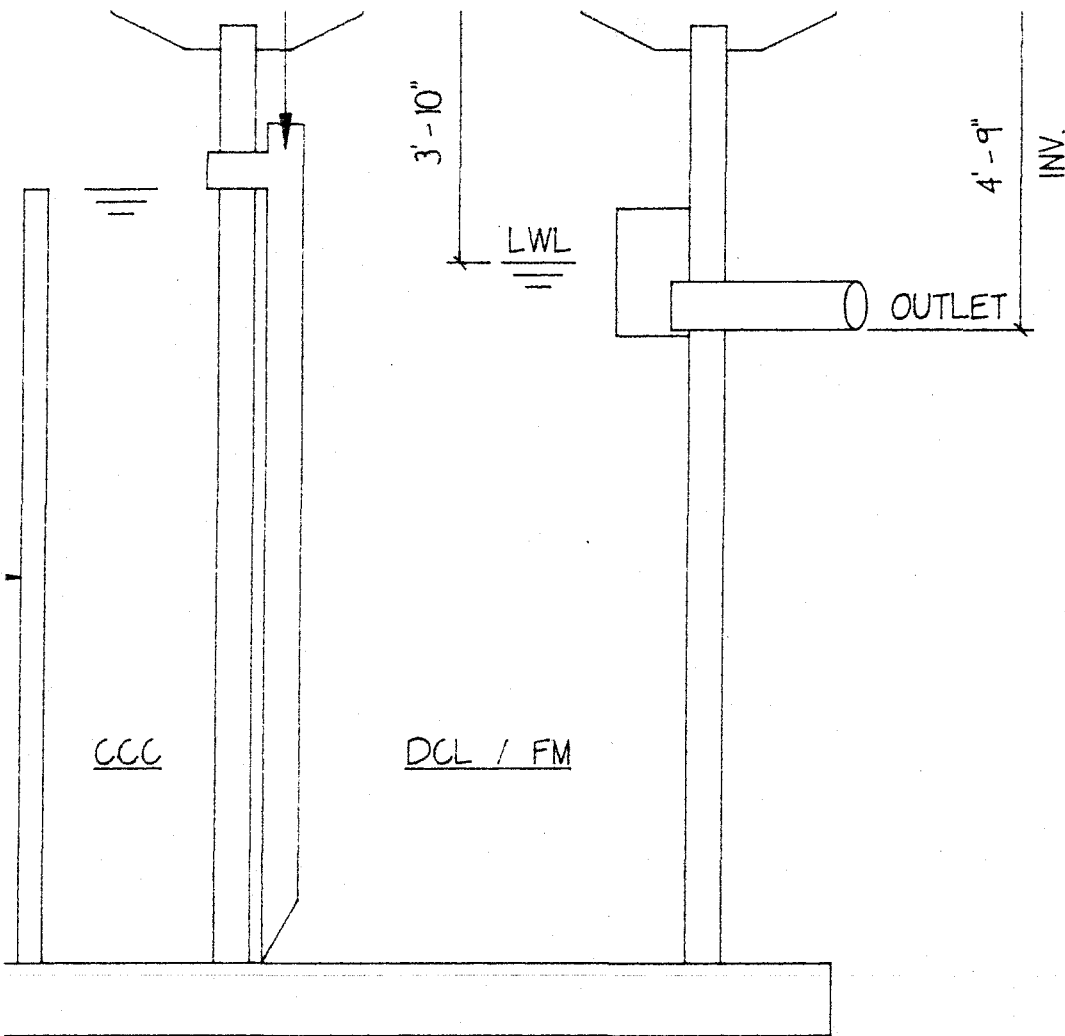


PROPOSED WASTEWATER
TREATMENT SYSTEM
SUNRISE UTILITIES
PHASE I
SCENIC, ARIZONA

PROJECT:

P.O. Box 3630
Mesquite, Nevada 89024
(702) 346-2280





PRELIMINARY



WOOD COUNTY
ARIZONA

FLOW DIAGRAM + HYDRAULIC PROFILE

SCENIC AREA

SCENIC, MOHAVE CO., AZ.

JOB NO. 03-250

date	by	scale	checked	sht.	of	drawing No.
8/19/03	S.D.	NONE		1	5	250-1

SUNRISE UTILITIES, L.L.C.
ENGINEER'S OPINION OF PROBABLE COSTS (WATER)

Item Description	Quantity	Unit	Unit Price	Sub-total	Contingencies 5%	Total
BACKBONE FACILITIES						
Water Pipe 6" PVC	1420 lf		\$16.70	\$23,714.00	\$1,185.70	\$24,899.70
Water Pipe 8" PVC	325 lf		\$18.45	\$5,986.25	\$299.81	\$6,286.06
Flowtronix Pump	2 ls		\$50,000.00	\$100,000.00	\$5,000.00	\$105,000.00
Emerg. Power Generation Equip.	1 ls		\$45,000.00	\$45,000.00	\$2,250.00	\$47,250.00
Fencing / Gate	1380 lf		\$12.00	\$16,560.00	\$828.00	\$17,388.00
150,000 Gallon Tank	2 ea		\$175,000.00	\$350,000.00	\$17,500.00	\$367,500.00
Storage Tank Foundation	2 ea		\$5,000.00	\$10,000.00	\$500.00	\$10,500.00
Site Prep / Grading / Gravel	1 ea		\$5,000.00	\$5,000.00	\$250.00	\$5,250.00
Well Pump / Appurtenances	2 ea		\$12,500.00	\$25,000.00	\$1,250.00	\$26,250.00
Well Electric Panel / Pump Controls	1 ls		\$10,000.00	\$10,000.00	\$500.00	\$10,500.00
Well Piping / Appurtenances	2 ea		\$5,000.00	\$10,000.00	\$500.00	\$10,500.00
Electricity to Well / Storage Site	1 ea		\$20,000.00	\$20,000.00	\$1,000.00	\$21,000.00
Emergency Water Treatment Equip.	1 ea		\$5,000.00	\$5,000.00	\$250.00	\$5,250.00
Laboratory Equipment	1 ea		\$4,000.00	\$4,000.00	\$200.00	\$4,200.00
TOTAL BACKBONE FACILITIES				\$630,270.25	\$31,513.51	\$661,783.76

SUNRISE UTILITIES, L.L.C. ENGINEER'S ESTIMATE OF CONSTRUCTION COSTS (WASTEWATER)

Item Description	Quantity	Unit	Unit Price	Sub-total	Contingencies		Total
					5%		
BACKBONE FACILITIES							
Plant (150,000 GPD)	1	ls	\$300,000.00	\$300,000.00		\$15,000.00	\$315,000.00
Perimeter Fence / Gates	1900	lf	\$12.00	\$22,800.00		\$1,140.00	\$23,940.00
Site Grading / Access Roads	1	ls	\$75,000.00	\$75,000.00		\$3,750.00	\$78,750.00
Evaporative Lagoons /	6	ea	\$12,500.00	\$75,000.00		\$3,750.00	\$78,750.00
Rapid Infiltration Basins							
Power to Site	1	ls	\$20,000.00	\$20,000.00		\$1,000.00	\$21,000.00
Reinforced Concrete Pads (STP)	1	ls	\$50,000.00	\$50,000.00		\$2,500.00	\$52,500.00
Headworks / Barscreen /	1	ls	\$20,000.00	\$20,000.00		\$1,000.00	\$21,000.00
Washdown Equip. / Misc.							
Emergency Generator	1	ea	\$40,000.00	\$40,000.00		\$2,000.00	\$42,000.00
Flow Measuring / Recording Devices	1	ea	\$10,000.00	\$10,000.00		\$500.00	\$10,500.00
8" PVC Sanitary Sewer Pipe	200	lf	\$12.00	\$2,400.00		\$120.00	\$2,520.00
10" PVC Sanitary Sewer Pipe	305	lf	\$18.00	\$5,490.00		\$274.50	\$5,764.50
12" PVC Sanitary Sewer Pipe	255	lf	\$24.00	\$6,120.00		\$306.00	\$6,426.00
8" D.I.P. Sanitary Sewer Pipe	120	lf	\$18.00	\$2,160.00		\$108.00	\$2,268.00
Plant Valving / Dist Boxes	4	ea	\$1,200.00	\$4,800.00		\$240.00	\$5,040.00
Effluent Manhole	3	ea	\$800.00	\$2,400.00		\$120.00	\$2,520.00
Sewer Manholes (48")	1	ea	\$2,000.00	\$2,000.00		\$100.00	\$2,100.00
Other Plant / Misc. Equipment	1	ea	\$10,000.00	\$10,000.00		\$500.00	\$10,500.00
Laboratory Equipment	1	ea	\$5,000.00	\$5,000.00		\$250.00	\$5,250.00
Drainage Channels	1025	lf	\$5.50	\$5,637.50		\$281.88	\$5,919.38
TOTAL BACKBONE FACILITIES				\$658,807.50		\$32,940.38	\$691,747.88

SUNRISE UTILITIES, L.L.C.
WATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Feb-04	Company Funded	Developer Funded
WATER PLANT					
YEAR ONE					
COMMON FACILITIES			\$444,100	\$444,100	
ON-SITE FACILITIES	100	\$2,463	\$246,330		\$246,330
YEAR ONE TOTAL			<u>\$690,430</u>	<u>\$444,100</u>	<u>\$246,330</u>
YEAR TWO					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	125	\$1,500	\$187,500		\$187,500
YEAR TWO TOTAL			<u>\$637,500</u>	<u>\$450,000</u>	<u>\$187,500</u>
YEAR THREE					
COMMON FACILITIES			\$0	\$0	
ON-SITE FACILITIES	125	\$1,750	\$218,750		\$218,750
YEAR THREE TOTAL			<u>\$218,750</u>	<u>\$0</u>	<u>\$218,750</u>
YEAR FOUR					
COMMON FACILITIES					
ON-SITE FACILITIES	125	\$1,750	\$218,750		\$218,750
YEAR FOUR TOTAL			<u>\$218,750</u>	<u>\$0</u>	<u>\$218,750</u>
YEAR FIVE					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	125	\$2,000	\$250,000		\$250,000
YEAR FIVE TOTAL			<u>\$700,000</u>	<u>\$450,000</u>	<u>\$250,000</u>
TOTAL WATER FACILITIES	<u>600</u>		<u>\$2,465,430</u>	<u>\$1,344,100</u>	<u>\$1,121,330</u>
Equilient Units Served				600	
Cost per Equilient Unit				\$2,240	
Development Fee per Equivalent Unit				\$1,500	
Percent of Common Facilities Total Cost				66.96%	

SUNRISE UTILITIES, L.L.C.

WASTEWATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Feb-04	Company Funded	Developer Funded
WASTEWATER PLANT					
YEAR ONE					
COMMON FACILITIES			\$1,043,950	\$1,043,950	
ON-SITE FACILITIES	100	\$604	\$60,375		\$60,375
YEAR ONE TOTAL			<u>\$1,104,325</u>	<u>\$1,043,950</u>	<u>\$60,375</u>
YEAR TWO					
COMMON FACILITIES					
ON-SITE FACILITIES	125	\$1,200	\$150,000		\$150,000
YEAR TWO TOTAL			<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>
YEAR THREE					
COMMON FACILITIES				\$0	
ON-SITE FACILITIES	125	\$1,200	\$150,000		\$150,000
YEAR THREE TOTAL			<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>
YEAR FOUR					
COMMON FACILITIES					
ON-SITE FACILITIES	125	\$1,500	\$187,500		\$187,500
YEAR FOUR TOTAL			<u>\$187,500</u>	<u>\$0</u>	<u>\$187,500</u>
YEAR FIVE					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	125	\$1,500	\$187,500		\$187,500
YEAR FIVE TOTAL			<u>\$637,500</u>	<u>\$450,000</u>	<u>\$187,500</u>
TOTAL WASTEWATER FACILITIES	<u>600</u>		<u>\$2,229,325</u>	<u>\$1,493,950</u>	<u>\$735,375</u>
Equivalent Units Served				600	
Cost per Equivalent Unit				\$2,490	
Development Fee per Equivalent Unit				\$1,750	
Percent of Common Facilities Total Cost				70.28%	

C

ARIZONA CORPORATION COMMISSION
APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant (Company) is:

Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, Arizona 86432
(702) 346-2280

B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

N/A

C. List the name, address and telephone number of the management contact:

Steve Timinskas
2960 S. Scenic Boulevard
Littlefield, Arizona 86432
(702) 346-2280

D. List the name, address and telephone number of the attorney for the Applicant:

Richard L. Sallquist, Esq.
Sallquist & Drummond, P.C.
2525 E. Arizona Biltmore Cr., Suite 117
Phoenix, Arizona 85016

E. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Water- Steve Timiniskas (pending)
2960 S. Scenic Boulevard
Littlefield, Arizona 86432
(702) 346-2280

Wastewater- George Timiniskas (pending)
2960 S. Scenic Boulevard
Littlefield, Arizona 86432
(702) 346-2280

TAB C

F. List the name, address and telephone number of the on-site manager of the utility:

G. The Applicant is a:

<input type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input checked="" type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation: N/A

1. List names of Officers and Directors:

Officers

Directors

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

3. Attach a copy of the Articles of Incorporation.

4. Attach a copy of the corporation's By-Laws.

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:

6. If stock has been issued, indicate the number of shares issued and date of issue:

I. If the Applicant is a partnership: **N/A**

1. List the names of the general partners:

2. List the name, address and telephone number of the managing partners:

3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor:

N/A

K. If the Applicant is a Limited Liability Company:

1. List the names of managers:

George Timinskas
Kirk Lee

David Helbert
David Rall

L. List the names and addresses of any other public utility interest, which the applicant may have:

N/A

M. Attach a description of the area requested using **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted.

Please see Attachment 1 hereto.

N. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

Please see Attachment 2 hereto

O. Attach financial information in a format similar to Attachment "C".

Please see Attachment 3 hereto

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

The Scenic Area facilities will be funded with a combination of Membership Capital, Hook-Up Fee Contributions and Line Extension Agreement Advances.

Q. Estimated starting and completion dates of construction of utility facilities:

Starting date **Upon ACC approval** Completion **120 days thereafter**

R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

Please see Attachment 3 hereto.

S. Attach the following permits:

1. The franchise from either the City or County for the area requested.

To be filed as late filed Attachment 5.

2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.

To be filed as late filed Attachment 6.

3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) **N/A**

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) **N/A**

5. **(WATER ONLY)** If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.

To be late filed as Attachment 7.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

Please see Schedule 4 to Attachment 3.

T. Provide the following information: **Please see Attachment 3.**

1. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation:

Residential:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

Commercial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____
Fifth Year _____

2. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____
Fourth Year_____ Fifth Year_____

4. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

First Year_____ Second Year_____ Third Year_____
Fourth Year_____ Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____
Fourth Year_____ Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____
Fourth Year_____ Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____
Fourth Year_____ Fifth Year_____

5. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

Please see Attachment 3, Schedules 8 and 9.

6. Indicate the total estimated cost to construct utility facilities:

Please see Attachment 3, Schedules 8 and 9.

- U. The form of notice to be published as notice to the over 100 property owners within the proposed service area is attached as Attachment 8 hereto. An Affidavit of Publication will be late filed upon completion.

Dated this 16th day of August, 2004.

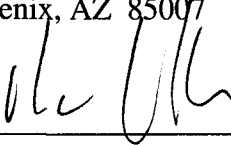
SALLQUIST & DRUMMOND, P.C.

By: 

Richard L. Sallquist
SALLQUIST & DRUMMOND, P.C.
2525 E. Arizona Biltmore Circle, Suite 117
Phoenix, AZ 85016
Attorneys for Sunrise Utilities, L.L.C.

The original and fifteen copies of
the foregoing were filed this 16th
day of March, 2004:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007



ATTACHMENTS

1. Legal Description for Requested Water Area and Sewer Area
2. Maps of Requested Water Area and Sewer Area
3. Pro forma Financial Statements
4. Proposed Tariff
5. Mohave County Franchise (late filed)
6. ADEQ Approval to Construct (late filed)
7. ADWR Adequacy Statement (late filed)
8. Notice to Property Owners

1

SUNRISE UTILITIES, L.L.C.
Certificate of Convenience and Necessity Application
Docket No. _____

DELETION AREA

Section 3 of 16W 39N

S/2 of S/2	160
------------	-----

REQUESTED AREA

Water Area

Section 2	All	640
Section 3	(As Deleted)	320
Section 10	All	640
Section 11	N2	320
	NW4 of SW4	40

Sewer Area

Section 2	All	640
Section 3	(As Deleted)	320
Section 10	All	640
Section 11	All	640
Section 14	All	640

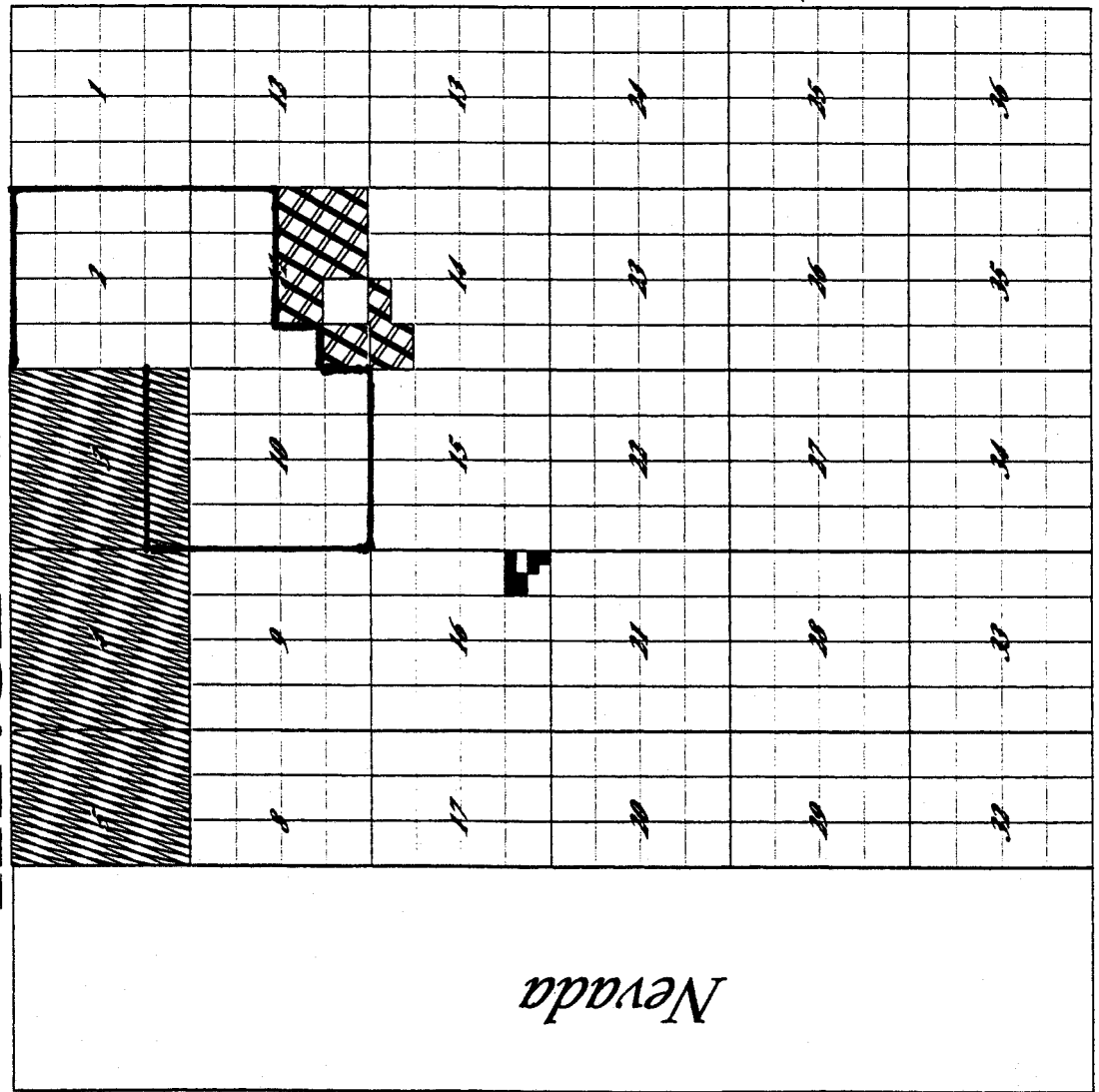
All in Township 16W, Range 39N, G&SRB&M, Mohave County, Arizona





2

COUNTY: Mohave

RANGE 16 West

TOWNSHIP 39 North

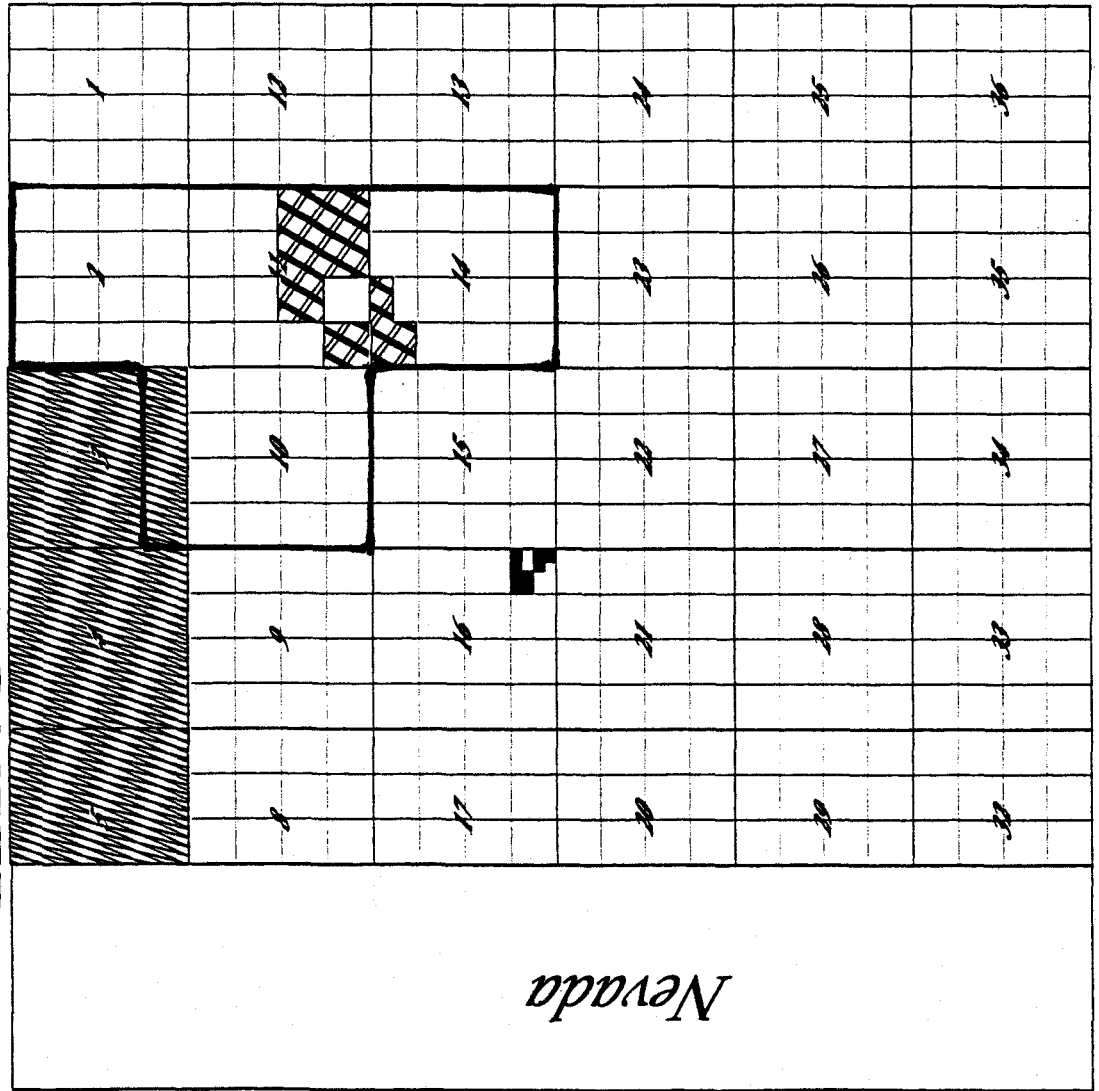






-  W-3067 (4)
Beaver Dam Water Company, Inc.
-  W-3551 (1)
Virgin Mountain Utilities Company
-  Sunrise Well Association, Inc.
Docket No. W-4154-02-848
Application for Adjudication
-  Sunrise Utilities L.L.C.
(water)

COUNTY: Mohave

RANGE 16 West

TOWNSHIP 39 North



- 
W-3067 (4)
 Beaver Dam Water Company, Inc.
- 
W-3551 (1)
 Virgin Mountain Utilities Company
- 
Sunrise Well Association, Inc.
 Docket No. W-4154-02-848
 Application for Adjudication
- 
Sunrise Utilities L.L.C.
 (sewer)

3

SUNRISE UTILITIES, L.L.C.

**PROFORMA FINANCIAL STATEMENTS
AND
SUPPORTING SCHEDULES**

Cover

SUNRISE UTILITIES, L.L.C.

INDEX

SCHEDULE 1	Proforma Income Statements
SCHEDULE 2	Proforma Cash Flow
SCHEDULE 3	Depreciation Expenses
SCHEDULE 4	Estimated Property Taxes
SCHEDULE 5	Estimated Income Taxes
SCHEDULE 6	Proforma Balance Sheet
SCHEDULE 7	Capital Structure
SCHEDULE 8	Water Construction Budget
SCHEDULE 9	Wastewater Construction Budget
SCHEDULE 10	Preliminary System Plan

SUNRISE UTILITIES, L.L.C.
PROFORMA CONSOLIDATED INCOME STATEMENT

	2005	Year Two	Year Three	Year Four	Year Five
REVENUES					
Water Revenues	\$24,171	\$78,556	\$138,983	\$199,411	\$259,838
Wastewater Revenues	\$19,800	\$64,350	\$113,850	\$163,350	\$212,850
Total Revenues	\$43,971	\$142,906	\$252,833	\$362,761	\$472,688
EXPENSES					
Water Operating Expenses	\$49,384	\$96,803	\$132,258	\$170,192	\$246,527
Wastewater Operating Expenses	\$53,473	\$73,771	\$98,877	\$126,172	\$182,746
Total Operating Expenses	\$102,857	\$170,574	\$231,135	\$296,364	\$429,273
Operating Income (Loss)	(\$58,886)	(\$27,668)	\$21,698	\$66,396	\$43,415
Water Interest Expense	\$0	\$0	\$0	\$0	\$0
Wastewater Interest Expense	\$0	\$0	\$0	\$0	\$0
Total Interest Expense	\$0	\$0	\$0	\$0	\$0
Net Income (Loss)	(\$58,886)	(\$27,668)	\$21,698	\$66,396	\$43,415

SUNRISE UTILITIES, L.L.C.

PROFORMA WATER INCOME STATEMENT

	2005	Year Two	Year Three	Year Four	Year Five
REVENUES					
Minimum Charges/Month	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Gallons Included	0	0	0	0	0
Excess Gallonage Charge/1000					
for Residential/Commercial	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Over 7000 Gallons	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
New Customers	100	125	125	125	125
Year End Customers	100	225	350	475	600
Number of Residential Customers (Avg.)	50	163	288	413	538
Sales Revenues (1)	\$24,171	\$78,556	\$138,983	\$199,411	\$259,838
Total Revenues	\$24,171	\$78,556	\$138,983	\$199,411	\$259,838
EXPENSES					
Pumping costs	\$5,125	\$10,053	\$15,505	\$21,165	\$26,825
Cost/1000	\$0.40				
Operations and Maintenance					
Cost/Unit/Month	\$5.00	\$3,000	\$9,750	\$17,250	\$24,750
Service/Meter Installation	\$0	\$0	\$0	\$0	\$0
Management					
Cost/Unit/Month	\$8.33	\$4,998	\$16,244	\$28,739	\$41,234
SDWA Compliance		\$2,500	\$2,500	\$2,500	\$2,500
Insurance:					
Liability/Month	\$75.00	\$900	\$900	\$900	\$900
Property/Month	\$75.00	\$900	\$900	\$900	\$900
Automotive/Year	\$0.00	\$0	\$0	\$0	\$0
Vehicle/Month	\$100.00	\$2,400	\$2,400	\$1,200	\$1,200
Depreciation					
Depreciable Plant		\$606,430	\$1,243,930	\$1,462,680	\$1,681,430
Composite Rate	4.22%				
Total Depreciation		\$29,169	\$52,553	\$61,794	\$71,036
Property Taxes (Schedule 4)		\$342	\$1,454	\$3,420	\$5,900
Income Taxes (Schedule 5)		\$50	\$50	\$50	\$608
Total Operating Expenses		\$49,384	\$96,803	\$132,258	\$170,192
Operating Income (Loss)		(\$25,213)	(\$18,247)	\$6,725	\$29,219
Interest Expense					
Outstanding Debt		\$0	\$0	\$0	\$0
Interest Rate	0.00%				
Long Term Interest Expense Total		\$0	\$0	\$0	\$0
Working Capital Interest at:	0.00%	\$0	\$0	\$0	\$0
Total Interest Expense		\$0	\$0	\$0	\$0
Net Income (Loss)		(\$25,213)	(\$18,247)	\$6,725	\$29,219
Original Cost Rate Base		\$414,931	\$849,878	\$856,834	\$817,048
Return on OCLD of:		-6.08%	-2.15%	0.78%	3.58%

FOOTNOTES

	In Gallons, except Unit #				
(1) Average Residential Sales/Month	8,740	8,740	8,740	8,740	8,740
Tier One	7,000	7,000	7,000	7,000	7,000
Residents per Household	2.30	2.30	2.30	2.30	2.30
Gallon per Customer per Day	125	125	125	125	125
Res Sales/Year in Gallons	5,244,000	17,043,000	30,153,000	43,263,000	56,373,000
Average Residential Bill	\$40.29	\$40.29	\$40.29	\$40.29	\$40.29

Water Income

SCHEDULE 1

Page 2 of 3

SUNRISE UTILITIES, L.L.C.
PROFORMA WASTEWATER INCOME STATEMENT

		2005	Year Two	Year Three	Year Four	Year Five
REVENUES						
Minimum Charges/Month		\$33.00	\$33.00	\$33.00	\$33.00	\$33.00
Number of Residential Customers (Avg.)		50	163	288	413	538
Revenues		\$19,800	\$64,350	\$113,850	\$163,350	\$212,850
Total Revenues		\$19,800	\$64,350	\$113,850	\$163,350	\$212,850
EXPENSES						
Power Costs		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Operations and Maintenance						
Cost/Unit/Month	\$5.00	\$3,000	\$9,750	\$17,250	\$24,750	\$32,250
Service Installation	\$0	\$0	\$0	\$0	\$0	\$0
Management						
Cost/Unit/Month	\$7.00	\$4,200	\$13,650	\$24,150	\$34,650	\$45,150
Insurance:						
Liability/Month	\$75.00	\$900	\$900	\$900	\$900	\$900
Property/Month	\$75.00	\$900	\$900	\$900	\$900	\$900
Automotive/Year	\$500.00	\$500	\$500	\$500	\$500	\$500
Vehicle/Month	\$100.00	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Depreciation						
Depreciable Plant		\$1,041,325	\$1,191,325	\$1,341,325	\$1,528,825	\$2,166,325
Composite Rate	3.66%					
Total Depreciation		\$40,458	\$43,645	\$49,140	\$56,009	\$79,365
Property Taxes (Schedule 4)		\$280	\$1,191	\$2,802	\$4,833	\$6,934
Income Taxes (Schedule 5)		\$35	\$35	\$35	\$430	\$13,548
Total Operating Expenses		\$53,473	\$73,771	\$98,877	\$126,172	\$182,746
Operating Income (Loss)		(\$33,673)	(\$9,421)	\$14,973	\$37,178	\$30,104
Interest Expense						
Outstanding Debt		\$0	\$0	\$0	\$0	\$0
Interest Rate	0.00%					
Long Term Interest Expense Total		\$0	\$0	\$0	\$0	\$0
Working Capital Interest at:	0.00%	\$0	\$0	\$0	\$0	\$0
Total Interest Expense		\$0	\$0	\$0	\$0	\$0
Net Income (Loss)		(\$33,673)	(\$9,421)	\$14,973	\$37,178	\$30,104
Original Cost Rate Base		\$1,003,492	\$959,848	\$910,707	\$854,698	\$1,225,333
Return on OCLD of:		-3.36%	-0.98%	1.64%	4.35%	2.46%

SUNRISE UTILITIES, L.L.C.

PROFORMA CASH FLOW

	2005	Year Two	Year Three	Year Four	Year Five
SOURCES OF CASH					
Beginning Cash Balance	\$0	\$10,740	\$79,270	\$211,902	\$405,344
Net Income	(\$58,886)	(\$27,668)	\$21,698	\$66,396	\$43,415
Add: Depreciation Expense	\$69,626	\$96,198	\$110,935	\$127,045	\$179,974
Total Cash from Operations	\$10,740	\$68,530	\$132,633	\$193,442	\$223,389
Financing Proceeds	\$1,488,050	\$0	\$0	\$0	\$0
Water Line Extension Agreements	\$246,330	\$187,500	\$218,750	\$218,750	\$250,000
Wastewater Line Extension Agreements	\$60,375	\$150,000	\$150,000	\$187,500	\$187,500
Water Hook-Up Fees	\$150,000	\$187,500	\$187,500	\$187,500	\$187,500
Wastewater Hook-Up Fees	\$175,000	\$218,750	\$218,750	\$218,750	\$218,750
Hook-Up Reserve Account Drawdowns	\$0	\$450,000	\$0	\$0	\$900,000
Working Capital Loan	\$0	\$0	\$0	\$0	\$0
Total Cash Sources	\$2,130,495	\$1,273,020	\$986,902	\$1,217,844	\$2,372,483
USES OF CASH					
Plant Additions	\$1,794,755	\$787,500	\$368,750	\$406,250	\$1,337,500
Plant Replacement	\$0	\$0	\$0	\$0	\$0
Debt Repayment	\$0	\$0	\$0	\$0	\$0
Line Extension Agreement Refunds	\$0	\$0	\$0	\$0	\$0
Working Capital Repayment	\$0	\$0	\$0	\$0	\$0
Hook-Up Fee Reserve Account Deposits	\$325,000	\$406,250	\$406,250	\$406,250	\$406,250
Ending Cash Balance (Including HUF Account Balance)	\$10,740	\$79,270	\$211,902	\$405,344	\$628,733
Total Cash Uses	\$2,119,755	\$1,193,750	\$775,000	\$812,500	\$1,743,750
Net Change in Cash	\$10,740	\$68,530	\$132,633	\$193,442	\$223,389

Cash Flow

SUNRISE UTILITIES, L.L.C.

WATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization	\$15,750		
302	Franchise Cost	\$525		
303	Land and Land Rights	\$42,000		\$0
304	Structures and Improvements	\$74,750	2.50%	\$1,869
307	Wells and Springs	\$32,200	3.33%	\$1,073
310	Power Generation Equipment	\$51,750	5.00%	\$2,588
311	Electric Pumping Equipment	\$86,250	12.50%	\$10,781
320	Water Treatment Equipment	\$11,500	3.33%	\$383
330	Dist. Reservoir and Standpipe	\$117,300	2.22%	\$2,604
331	Transmission and Distribution Mains	\$74,750	2.00%	\$1,495
333	Services	\$86,250	3.33%	\$2,872
334	Meters	\$0	8.33%	\$0
335	Hydrants	\$27,830	2.00%	\$557
336	Backflow Prevention Devices	\$57,500	6.67%	\$3,835
339	Miscellaneous Equipment	\$2,875	6.67%	\$192
340	Office Furniture and Fixtures	\$0	6.67%	\$0
341	Transportation Equipment	\$0	20.00%	\$0
343	Tools and Work Equipment	\$0	5.00%	\$0
344	Laboratory Equipment	\$9,200	10.00%	\$920
345	Power Operated Equipment	\$0	5.00%	\$0
346	Communications Equipment	\$0	10.00%	\$0
347	Miscellaneous Equipment	\$0	10.00%	\$0
348	Other Tangible Plant	\$0	2.50%	\$0
Totals		\$690,430	4.22%	\$29,169

SUNRISE UTILITIES, L.L.C.

WASTEWATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization			
302	Franchise Cost			
303	Land and Land Rights	\$63,000		\$0
354	Structures and Improvements	\$5,750	3.33%	\$191
355	Power Generation Equipment	\$46,000	5.00%	\$2,300
361	Collection Sewers	\$333,500	2.00%	\$6,670
363	Services to Customers	\$60,375	2.00%	\$1,208
367	Reuse Meters & Meter Installations	\$11,500	8.33%	\$958
370	Receiving Wells	\$80,500	3.33%	\$2,681
380	Treatment & Disposal Equipment	\$455,400	5.00%	\$22,770
381	Plant Sewers	\$23,000	5.00%	\$1,150
394	Laboratory Equipment	\$11,500	10.00%	\$1,150
397	Miscellaneous Equipment	\$13,800	10.00%	\$1,380
Totals		\$1,104,325	3.66%	\$40,458

SUNRISE UTILITIES, L.L.C.
PROFORMA PROPERTY TAX COMPUTATION
At Proposed Water Rates

	2003	2004	2005	2006	2007	2008	2009
Total Revenues	\$0.00	\$0.00	\$ 24,171	\$ 78,556	\$138,983	\$199,411	\$259,838
3-Year Average			\$ 8,057	\$ 34,242	\$ 80,570	\$138,983	\$199,411
Income Approach (Two times Revenue)			\$16,114	\$68,485	\$161,140	\$277,967	\$398,822
CWIP @ 10%			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Full Cash Value			\$16,114	\$68,485	\$161,140	\$277,967	\$398,822
Assessment Ratio			25%	25%	25%	25%	25%
Assessed Value			\$4,029	\$17,121	\$40,285	\$69,492	\$99,705
Tax Rate per \$100 Valuation			\$8.49	\$8.49	\$8.49	\$8.49	\$8.49
Adjusted Property Tax			\$342	\$1,454	\$3,420	\$5,900	\$8,465

SUNRISE UTILITIES, L.L.C.
PROFORMA PROPERTY TAX COMPUTATION
 At Proposed Wastewater Rates

	2003	2004	2005	2006	2007	2008	2009
Total Revenues	\$0.00	\$0.00	\$ 19,800	\$ 64,350	\$113,850	\$163,350	\$212,850
3-Year Average			\$ 6,600	\$ 28,050	\$ 66,000	\$113,850	\$163,350
Income Approach (Two times Revenue)			\$13,200	\$56,100	\$132,000	\$227,700	\$326,700
CWIP @ 10%			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Full Cash Value			\$13,200	\$56,100	\$132,000	\$227,700	\$326,700
Assessment Ratio			25%	25%	25%	25%	25%
Assessed Value			\$3,300	\$14,025	\$33,000	\$56,925	\$81,675
Tax Rate per \$100 Valuation			\$8.49	\$8.49	\$8.49	\$8.49	\$8.49
Adjusted Property Tax			\$280	\$1,191	\$2,802	\$4,833	\$6,934

Wastewater Property Tax

SCHEDULE 4

Page 2 of 2

SUNRISE UTILITIES, L.L.C.

INCOME TAX COMPUTATION

		2005	Year Two	Year Three	Year Four	Year Five
NET TAXABLE INCOME		(\$58,801)	(\$27,583)	\$21,783	\$67,434	\$76,112
State Income Tax Computation						
Taxable Income		(\$58,801)	(\$27,583)	\$21,783	\$67,434	\$76,112
LESS:State Tax		\$0	\$50	\$50	\$50	\$242
Net Operating Loss		\$0	(\$58,801)	(\$86,434)	(\$64,700)	\$0
Adjusted Income		(\$58,801)	(\$86,434)	(\$64,700)	\$2,684	\$75,871
State Tax Rate at :	9.00%	\$50	\$50	\$50	\$242	\$6,828
TOTAL ARIZONA TAXES		\$50	\$50	\$50	\$242	\$6,828
Federal Income Tax Computation						
Taxable Income		(\$58,801)	(\$27,583)	\$21,783	\$67,434	\$76,112
LESS:State Tax		\$50	\$50	\$50	\$242	\$6,828
Net Operating Loss		\$0	(\$58,851)	(\$86,484)	(\$64,750)	\$0
Adjusted Income		(\$58,851)	(\$86,484)	(\$64,750)	\$2,443	\$69,284
TAX CALCULATION						
\$0-50,000	15%	\$0	\$0	\$0	\$366	\$7,500
\$50-75,000	25%	\$0	\$0	\$0	\$0	\$4,821
\$75-100,000	34%	\$0	\$0	\$0	\$0	\$0
\$100-335,000	39%	\$0	\$0	\$0	\$0	\$0
\$335-OVER	34%	\$0	\$0	\$0	\$0	\$0
TOTAL FEDERAL TAXES		\$0	\$0	\$0	\$366	\$12,321
Effective Federal Tax Rate		0.0%	0.0%	0.0%	0.5%	16.2%
Total Federal and State Taxes		\$50	\$50	\$50	\$608	\$19,149
Allocation : Water	29.25%	\$15	\$15	\$15	\$178	\$5,602
Wastewater	70.75%	\$35	\$35	\$35	\$430	\$13,548
(Based on Rate Base)						
Effective State & Federal Tax Rate		-0.09%	-0.18%	0.23%	0.90%	25.16%

Income Tax SCHEDULE 5

SUNRISE UTILITIES, L.L.C.

PROFORMA BALANCE SHEET

	End 2005	Year Two	Year Three	Year Four	Year Five
ASSETS					
Cash	\$10,740	\$79,270	\$211,902	\$405,344	\$628,733
Water Land	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
Production & Storage Plant in Service	\$648,430	\$1,285,930	\$1,504,680	\$1,723,430	\$2,423,430
Less: Accumulated Depreciation	(\$29,169)	(\$81,722)	(\$143,516)	(\$214,552)	(\$315,161)
Wastewater Land	\$63,000	\$63,000	\$63,000	\$63,000	\$63,000
Wastewater Plant/ Collection Plant in Service	\$1,041,325	\$1,191,325	\$1,341,325	\$1,528,825	\$2,166,325
Less: Accumulated Depreciation	(\$40,458)	(\$84,102)	(\$133,243)	(\$189,252)	(\$268,617)
Net Plant in Service	\$1,725,129	\$2,416,431	\$2,674,247	\$2,953,451	\$4,110,978
Hook-Up Fee Reserves					
Total Reserve Balance	\$325,000	\$281,250	\$687,500	\$1,093,750	\$600,000
TOTAL ASSETS	\$2,060,869	\$2,776,951	\$3,573,649	\$4,452,545	\$5,339,710
LIABILITIES					
Current Liabilities:					
Current Liabilities	\$0	\$0	\$0	\$0	\$0
Deferred Credits:					
Water Advances	\$246,330	\$433,830	\$652,580	\$871,330	\$1,121,330
Less: Cumulative Refunds	\$0	\$0	\$0	\$0	\$0
Net Water Advances	\$246,330	\$433,830	\$652,580	\$871,330	\$1,121,330
Wastewater Advances	\$60,375	\$210,375	\$360,375	\$547,875	\$735,375
Less: Cumulative Refunds	\$0	\$0	\$0	\$0	\$0
Net Wastewater Advances	\$60,375	\$210,375	\$360,375	\$547,875	\$735,375
Contributions:					
Water HUF's	\$150,000	\$337,500	\$525,000	\$712,500	\$900,000
Wastewater HUF's	\$175,000	\$393,750	\$612,500	\$831,250	\$1,050,000
Total Deferred Credits	\$631,705	\$1,375,455	\$2,150,455	\$2,962,955	\$3,806,705
CAPITAL					
Common Stock Issued	\$1,488,050	\$1,488,050	\$1,488,050	\$1,488,050	\$1,488,050
Long Term Debt		\$0	\$0	\$0	\$0
Less: Repayment		\$0	\$0	\$0	\$0
Balance	\$0	\$0	\$0	\$0	\$0
Retained Earnings	(\$58,886)	(\$86,554)	(\$64,856)	\$1,540	\$44,955
Working Capital Loan	\$0	\$0	\$0	\$0	\$0
Total Capital	\$1,429,164	\$1,401,496	\$1,423,194	\$1,489,590	\$1,533,005
TOTAL LIABILITIES & CAPITAL	\$2,060,869	\$2,776,951	\$3,573,649	\$4,452,545	\$5,339,710

Balance Sheet
SCHEDULE 6

\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0

LINE EXTENSION AGREEMENTS

CONTRIBUTIONS

TOTAL CAPITAL ADDITIONS

HOOK-UP FEE COLLECTIONS

FINANCING FROM HUF RESERVE ACCOUNT

2/27/2004

SUNRISE UTILITIES, L.L.C.
WATER FACILITIES CONSTRUCTION BUDGET

Item	Committed Units	Cost per Unit	Cost Est. Feb-04	Company Funded	Developer Funded
WATER PLANT					
YEAR ONE					
COMMON FACILITIES			\$444,100	\$444,100	
ON-SITE FACILITIES	100	\$2,463	\$246,330		\$246,330
YEAR ONE TOTAL			<u>\$690,430</u>	<u>\$444,100</u>	<u>\$246,330</u>
YEAR TWO					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	125	\$1,500	\$187,500		\$187,500
YEAR TWO TOTAL			<u>\$637,500</u>	<u>\$450,000</u>	<u>\$187,500</u>
YEAR THREE					
COMMON FACILITIES			\$0	\$0	
ON-SITE FACILITIES	125	\$1,750	\$218,750		\$218,750
YEAR THREE TOTAL			<u>\$218,750</u>	<u>\$0</u>	<u>\$218,750</u>
YEAR FOUR					
COMMON FACILITIES					
ON-SITE FACILITIES	125	\$1,750	\$218,750		\$218,750
YEAR FOUR TOTAL			<u>\$218,750</u>	<u>\$0</u>	<u>\$218,750</u>
YEAR FIVE					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	125	\$2,000	\$250,000		\$250,000
YEAR FIVE TOTAL			<u>\$700,000</u>	<u>\$450,000</u>	<u>\$250,000</u>
TOTAL WATER FACILITIES	<u>600</u>		<u>\$2,465,430</u>	<u>\$1,344,100</u>	<u>\$1,121,330</u>
Equivalent Units Served				600	
Cost per Equivalent Unit				\$2,240	
Development Fee per Equivalent Unit				\$1,500	
Percent of Common Facilities Total Cost				66.96%	

UTILITIES, L.L.C. OF PROBABLE COST (WATER)

NARUC

Account No.	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies @ 5%	Total
BACKBONE FACILITIES								
301	Organization	1	ls	\$15,000	\$15,000		\$750	\$15,750
302	Franchise Cost	1	ls	\$500	\$500		\$25	\$525
303	Land and Land Rights	1	ls	\$40,000	\$40,000		\$2,000	\$42,000
304	Power Panel and Interconnect	1	ls	\$25,000	\$25,000	\$2,500	\$1,250	\$28,750
304	Well Enclosure	1	ls	\$30,000	\$30,000	\$3,000	\$1,500	\$34,500
304	Fencing	1	ls	\$10,000	\$10,000	\$1,000	\$500	\$11,500
307	Well	1	ls	\$28,000	\$28,000	\$2,800	\$1,400	\$32,200
310	Power Generation Equipment	1	ls	\$45,000	\$45,000	\$4,500	\$2,250	\$51,750
311	Flowtronix Pump	1	ls	\$50,000	\$50,000	\$5,000	\$2,500	\$57,500
311	Well Pump, Pipes and Controls	1	ls	\$25,000	\$25,000	\$2,500	\$1,250	\$28,750
320	Water Treatment Equipment	1	ls	\$10,000	\$10,000	\$1,000	\$500	\$11,500
330	Site Grading	1	ls	\$10,000	\$10,000	\$1,000	\$500	\$11,500
330	100,000 Gallon Water Storage Tank	1	ls	\$87,000	\$87,000	\$8,700	\$4,350	\$100,050
330	Reservoir Piping and Appurtenances	1	ls	\$5,000.00	\$5,000	\$500	\$250	\$5,750
339	Miscellaneous Plant Equipment	1	ls	\$2,500.00	\$2,500	\$250	\$125	\$2,875
340	Office Furniture and Fixtures				\$0	\$0	\$0	\$0
344	Laboratory Equipment	1	ls	\$8,000.00	\$8,000	\$800	\$400	\$9,200
	Total Backbone Facilities				\$391,000	\$33,550	\$19,550	\$444,100
ON-SITE FACILITIES								
331	Transmission Main	5,000	l.f.	\$13.00	\$65,000	\$6,500	\$3,250	\$74,750
333	Service Lines	150	ea.	\$500.00	\$75,000	\$7,500	\$3,750	\$86,250
335	Hydrants	11	ea.	\$2,200.00	\$24,200	\$2,420	\$1,210	\$27,830
336	Backflow Prevention Devices	10	ea.	\$5,000.00	\$50,000	\$5,000	\$2,500	\$57,500
	Total On-Site Facilities				\$214,200	\$21,420	\$10,710	\$246,330
WATER SYSTEM TOTAL					\$605,200	\$54,970	\$30,260	\$690,430

Water Eng Cost

SCHEDULE 8

Page 2 of 2

SUNRISE UTILITIES, L.L.C.
WASTEWATER FACILITIES CONSTRUCTION BUBGET

Item	Committed Units	Cost per Unit	Cost Est. Feb-04	Company Funded	Developer Funded
WASTEWATER PLANT					
YEAR ONE					
COMMON FACILITIES			\$1,043,950	\$1,043,950	
ON-SITE FACILITIES	100	\$604	\$60,375		\$60,375
YEAR ONE TOTAL			<u>\$1,104,325</u>	<u>\$1,043,950</u>	<u>\$60,375</u>
YEAR TWO					
COMMON FACILITIES					
ON-SITE FACILITIES	125	\$1,200	\$150,000		\$150,000
YEAR TWO TOTAL			<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>
YEAR THREE					
COMMON FACILITIES				\$0	
ON-SITE FACILITIES	125	\$1,200	\$150,000		\$150,000
YEAR THREE TOTAL			<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>
YEAR FOUR					
COMMON FACILITIES					
ON-SITE FACILITIES	125	\$1,500	\$187,500		\$187,500
YEAR FOUR TOTAL			<u>\$187,500</u>	<u>\$0</u>	<u>\$187,500</u>
YEAR FIVE					
COMMON FACILITIES			\$450,000	\$450,000	
ON-SITE FACILITIES	125	\$1,500	\$187,500		\$187,500
YEAR FIVE TOTAL			<u>\$637,500</u>	<u>\$450,000</u>	<u>\$187,500</u>
TOTAL WASTEWATER FACILITIES	<u>600</u>		<u>\$2,229,325</u>	<u>\$1,493,950</u>	<u>\$735,375</u>
Equivalent Units Served				600	
Cost per Equivalent Unit				\$2,490	
Development Fee per Equivalent Unit				\$1,750	
Percent of Common Facilities Total Cost				70.28%	

UTILITIES, L.L.C.

PROBABLE COST(WASTEWATER)

NARUC Account		Item Description		Quantity Unit		Unit Price	Sub-Total	Engineering Contingencies @10%	Contingencies @ 5%	Total
No.										
BACKBONE FACILITIES										
301		Organization		1	ls	\$0	\$0		\$0	\$0
302		Franchise Cost		1	ls	\$0	\$0		\$0	\$0
303		Land and Land Rights		1	ls	\$60,000	\$60,000		\$3,000	\$63,000
354		Perimeter Fencing		1	ls	\$5,000	\$5,000	\$500	\$250	\$5,750
355		Emergency Generator		1	ls	\$40,000	\$40,000	\$4,000	\$2,000	\$46,000
361		Scenic Area to Elbow Canyon		1	ls	\$290,000	\$290,000	\$29,000	\$14,500	\$333,500
367		Flow Measuring Device		1	ls	\$10,000	\$10,000	\$1,000	\$500	\$11,500
370		Reinforced Concrete Pads		1	ls	\$50,000	\$50,000	\$5,000	\$2,500	\$57,500
370		Dist Box/Headworks/Barscreen/Washdown/Misc		1	ls	\$20,000	\$20,000	\$2,000	\$1,000	\$23,000
380		Treatment Plant		150,000	GPD	\$2.00	\$300,000	\$30,000	\$15,000	\$345,000
380		Site Grading		1	ls	\$50,000	\$50,000	\$5,000	\$2,500	\$57,500
380		Evaporative Lagoons		1	ls	\$25,000	\$25,000	\$2,500	\$1,250	\$28,750
380		Power to Site		1	ls	\$11,000	\$11,000	\$1,100	\$550	\$12,650
380		Chemical Feeder		1	ls	\$10,000	\$10,000	\$1,000	\$500	\$11,500
381		Plant Piping and Valves		1	ls	\$20,000	\$20,000	\$2,000	\$1,000	\$23,000
394		Laboratory Equipment		1	ls	\$10,000	\$10,000	\$1,000	\$500	\$11,500
397		Other Plant and Miscellaneous Equipment		1	ls	\$12,000	\$12,000	\$1,200	\$600	\$13,800
		Total Backbone Facilities					\$913,000	\$85,300	\$45,650	\$1,043,950
ON-SITE FACILITIES										
363		Sewer to Lots		150	ea.	\$350	\$52,500	\$5,250	\$2,625	\$60,375
		Total On-site Facilities					\$52,500	\$5,250	\$2,625	\$60,375
WASTEWATER SYSTEM TOTAL							\$965,500	\$90,550	\$48,275	\$1,104,325


WW ENG COST

SCHEDULE 9

Page 2 of 2

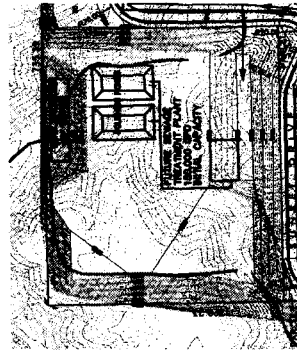
SUNRISE UTILITIES, L.L.C.

Preliminary System Plan

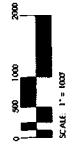
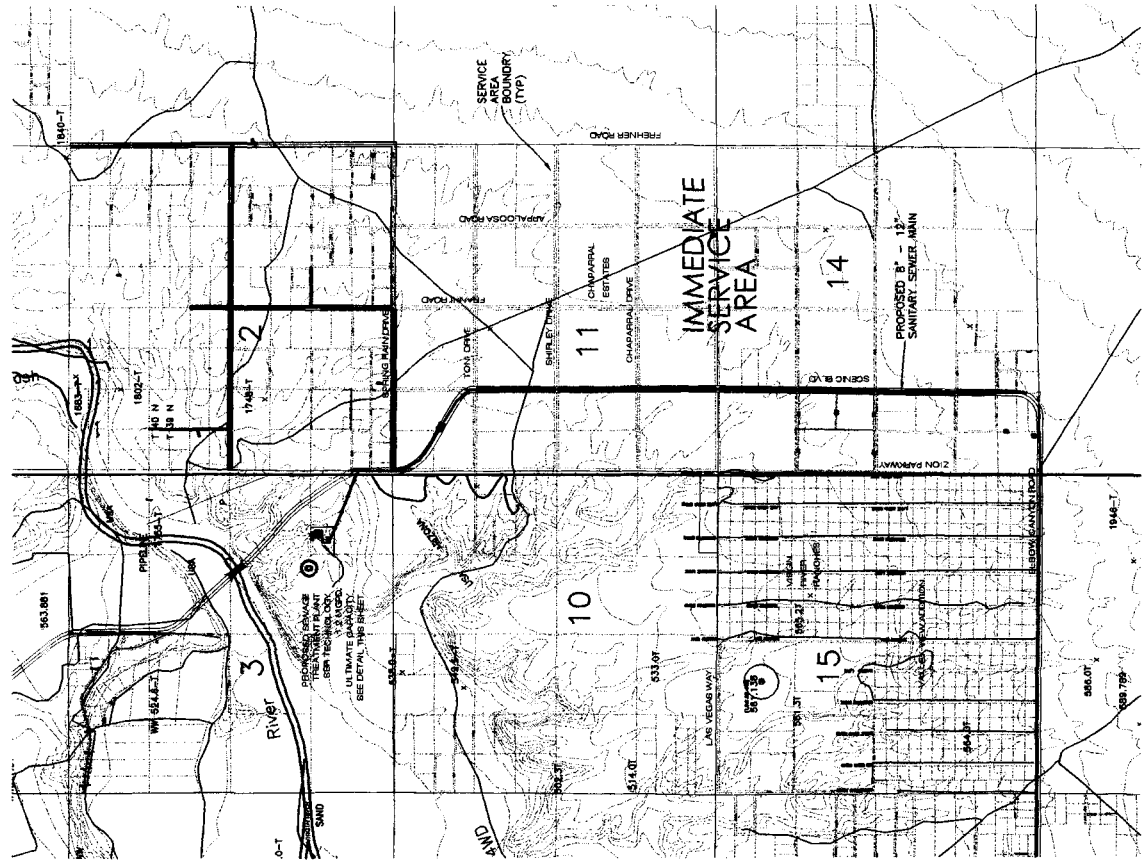


Please see attached

LEGEND	
11	SECTION NUMBER
	PROPOSED SANITARY SEWER
	INITIAL SERVICE AREA BOUNDARY
	NEW COUNTOUR INDEX LINE
	NEW COUNTOUR LINE

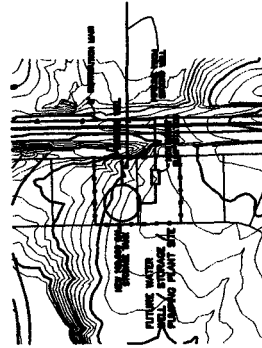


STP SITE DETAIL

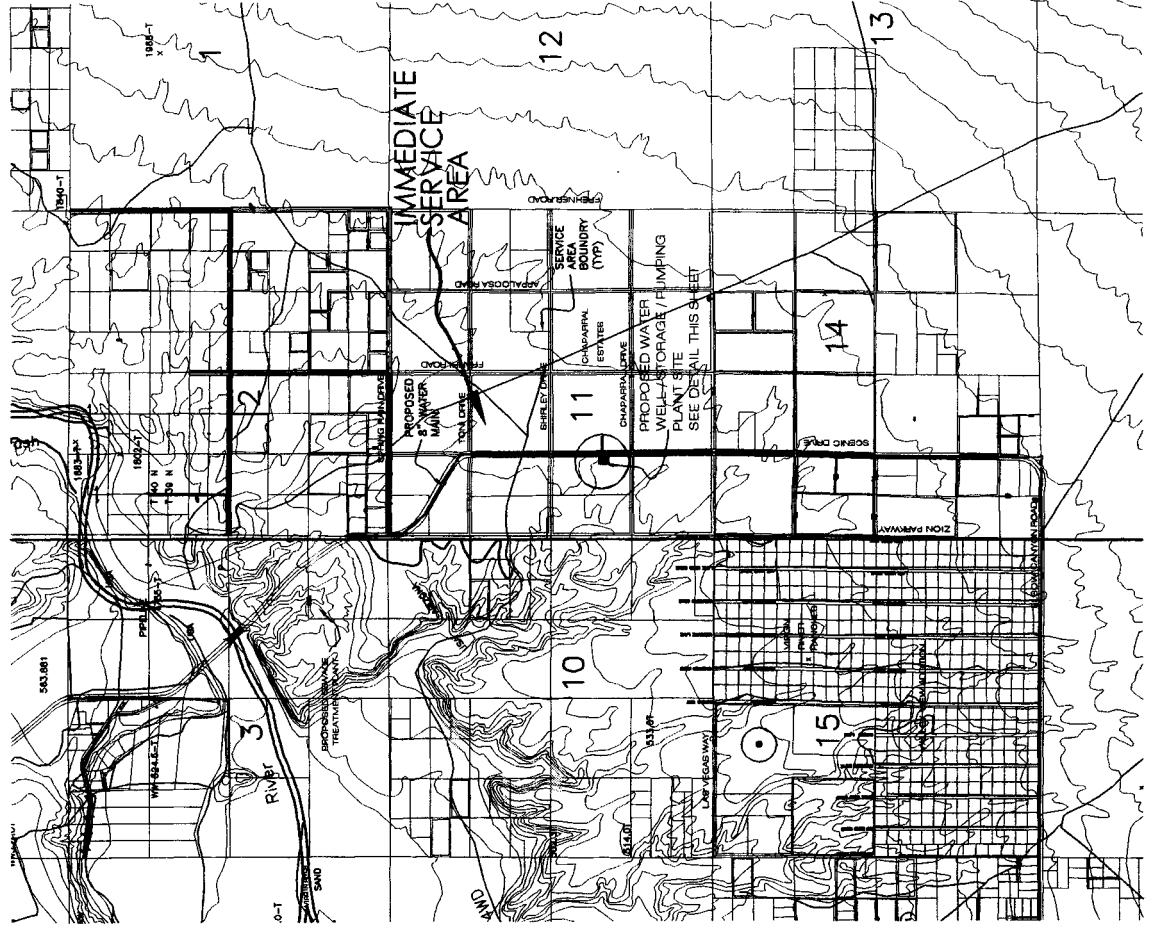
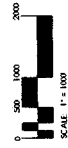


SCENIC AREA PROPOSED WATER DISTRICT SERVICE MAP

LEGEND	
11	SECTION NUMBER
—	PROPOSED WATER MAIN
—	INITIAL SERVICE AREA BOUNDARY
—	NEW COUNTOUR INDEX LINE
—	NEW COUNTOUR LINE



⊕ WATER PLANT SITE DETAIL
SCALE 1" = 100'



4

SUNRISE UTILITIES, L.L.C.

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TARIFF

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ATTACHMENT 4

SUNRISE UTILITIES, L.L.C.

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TABLE OF CONTENTS

PART ONE – STATEMENT OF CHARGES WATER SERVICE

1	
I. RATES	1
A. General Residential, Commercial, Industrial, Irrigation and Sales for Resale Service.....	1
B. Construction Water	2
II. TAXES AND ASSESSMENTS	3
III. ADDITIONAL CHARGES	4
A. Establishment of Service	4
B. Re-establishment of Service	4
C. Reconnection of Service	4
D. Charge for Moving Meter at Customer Request	4
E. Minimum Deposit Requirement.....	5
F. Meter test per Rule	5
G. Meter Reread	5
H. Charge for NSF Check	5
I. Deferred Payment Finance Charge.....	5
J. Late Payment Charge.....	6
K. Service Calls.....	6
L. Service Line Tariff and Meter Advance Policy	7
M. Main Extension Tariff	7
N Off-Site Facilities Hook-Up Fee - Water	7
IV. PERMITTED COSTS	11

PART TWO – STATEMENT OF TERMS AND CONDITIONS WATER SERVICE

I. CROSS-CONNECTION CONTROL	13
A. Purpose.....	13
B. Inspections.....	13
C. Requirements.....	13
D. Discontinuance of Service.....	15

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DOCKET _____

II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS	16
III. CURTAILMENT PLAN	16
IV. RULES AND REGULATIONS	21

PART THREE – STATEMENT OF CHARGES WASTEWATER SERVICE

I. RATES	22
II. TAXES AND ASSESSMENTS	23
III. ADDITIONAL CHARGES	23
A. Establishment of Service	23
B. Re-establishment of Service	23
C. Reconnection of Service	23
D. Minimum Deposit Requirement	24
E. Charge for NSF Check	24
F. Deferred Payment Finance Charge	24
G. Late Payment Charge	25
H. Service Calls	25
I. Service Lateral Connection Charges	25
J. Main Extension Tariff	25
K. Off-Site Facilities Hook-Up Fee - Wastewater	26
IV. PERMITTED COSTS	29

PART FOUR – STATEMENT OF TERMS AND CONDITIONS WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM	30
A. Service Subject to Regulation	30
B. Waste Limitations	30
C. Inspection and Right of Entry	31
D. Termination of Water Service for Violation of Wastewater Rules and Regulations	32
II. RULES AND REGULATIONS	32

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Applies to all **WATER** service areas**PART ONE****STATEMENT OF CHARGES**
WATER SERVICE**I. RATES**

In Opinion and Order No. _____, dated _____, 2004, the Commission approved the following rates and charges to become effective _____, 2004.

<u>Meter Size</u> Inches	Usage Included in <u>Minimum Charge</u> Gallons	Minimum <u>Charge</u> Per Month
-----------------------------	---	---------------------------------------

A. General Residential, Commercial, Industrial, and Irrigation Service

5/8" x 3/4" Meter	-0-	18.00
3/4" Meter	-0-	27.00
1" Meter	-0-	45.00
1 1/2" Meter	-0-	90.00
2" Meter	-0-	144.00
4" Meter	-0-	450.00
6" Meter	-0-	900.00

The rate for use in addition to the minimum stated above shall be the same for all sizes of meters. Additional usage shall be at the following rate per 1,000 gallons:

<u>Consumption</u>	<u>Rate</u>
0-7,000	\$2.50
over 7,000	\$2.75

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WATER SERVICE**

B.	Construction Water ¹	Usage Included in	Minimum
		<u>Minimum Charge</u>	<u>Charge</u>
		Gallons	Per Month
	2" Hydrant Meter ²	-0-	\$100.00

The rate for use in addition to the minimum stated above shall be at the rate of \$2.75 per 1,000 gallons.

HYDRANT RELOCATION:

When a Construction Meter is relocated to another hydrant or agreed upon location at the request of the Customer, there shall be a \$50 charge.

¹ Construction water service shall be provided as an "as available" basis and is subject to interruption if such service would adversely impact on the water systems operation.

² Hydrant meters shall have a non-interest bearing deposit of \$1,500.00, refundable upon return of meter in good condition and payment of final bill.

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Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

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Applies to all WATER service areas**PART ONE****STATEMENT OF CHARGES**
WATER SERVICE**III. ADDITIONAL CHARGES³**

- | | | |
|----|--|-------------------|
| A. | Establishment of Service | \$ 20.00 |
| | Per Rule R14-2-403D | |
| | (new customer charge, in addition to E, L and M below) | |
| | 1. If after hours | \$ 40.00 |
| B. | Re-establishment of Service | |
| | Per Rule R14-2-403D | Note ⁴ |
| | (same customer, same location within 12 months) | |
| C. | Reconnection of Service | \$ 50.00 |
| | Per Rule R14-2-403D | |
| | 1. If after hours | \$ 65.00 |
| D. | Charge for Moving Meter at Customer Request | Cost ⁵ |
| | Per Rule R14-2-405B | |

³ Additional charges authorized in Paragraph III A, B, C, H, I and J shall not be duplicated for dual service customers.

⁴ Number of months off system times the monthly minimum.

⁵ See Sheet No. 11.

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PART ONE

STATEMENT OF CHARGES
WATER SERVICE

- E. Minimum Deposit Requirement
Per Rule R14-2-403B
1. Residential customer (2 times estimated average monthly bill)
2. Non residential customer (2-1/2 times estimated maximum monthly bill)
3. Deposit Interest (per annum) 3.0%
- F. Meter test per Rule, If correct \$25.00 plus cost of test
Per Rule R14-2-408F
- G. Meter Reread \$ 5.00
Per Rule R14-2-408C
- H. Charge for NSF Check \$ 20.00
Per Rule R14-2-409F
- I. Deferred Payment Finance Charge 1.5%
Per month

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WATER SERVICE

J.	Late Payment Charge Per Month	See Notes ^{6 7 8}
K.	Service Calls, per hour After hours only	\$40.00 ⁹

⁶ Greater of \$5.00 or 1.5% of unpaid balance.

⁷ Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

⁸ This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

⁹ For service problem found to be on Customer's side of meter. Company will not repair problem.

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Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICEL. Meter Advance Policy¹⁰

	<u>Advance</u> ¹¹
5/8" x 3/4" Meter	\$500.00
3/4" Meter	\$575.00
1" Meter	\$660.00
1 1/2" Meter	\$900.00
2" Meter	\$1,525.00
4" Meter	\$3,360.00
6" Meter	\$6,035.00

M. Main Extension Tariff
Per Rule R14-2-406BCost¹²

N. Off-Site Facilities Hook-Up Fee – Water

1. Applicable to: In addition to the Meter Installation Charge and requirements for on-site facilities to be installed pursuant to approved main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.

2. Purpose: To equitably apportion the costs of off-site water facility development among all new service connections.

¹⁰ The customer shall be the owner of and be responsible for the design, installation, maintenance and operation of the Service Line on the customer's side of the water meter.

¹¹ Plus county permit charges. Permit charges are non-refundable.

¹² Per Sheet No. 11.

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Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

3. Definitions:

“Applicant” means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

“Company” means Sunrise Utilities, L.L.C.

“Main extension agreement” means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to Company, which agreement shall require the approval of the Arizona Corporation Commission. Same as “line extension agreement”.

“Off-site facilities” means wells, storage tanks and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

“Service Connection” means and includes all service connections for single-family residential or other uses, regardless of meter size.

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Applies to all **WATER** service areas**PART ONE****STATEMENT OF CHARGES**
WATER SERVICE

4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

<u>Size</u>	<u>NARUC Meter Factor</u>	<u>Fee</u>
5/8" x 3/4" Meter	1.0	\$1,500.00
3/4" Meter	1.2	1,800.00
1" Meter	2.0	3,000.00
1-1/2" Meter	4.0	6,000.00
2" Meter	6.4	18,000.00
4" Meter	20.0	30,000.00
6" or greater	40.0	60,000.00

5. Terms and Conditions:

- A. Time of payment: In addition to the amounts to be advanced pursuant to an Arizona Corporation Commission approved main extension agreement, the applicant for new water services shall pay the Company the Off-site Facilities Hook-up Fee as determined by meter size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the water facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company

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Cancelling Sheet No.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

is able to complete construction of the required facilities prior to necessity for service to the Development.

- B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.
- C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.
- D. Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

IV. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

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Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

I. CROSS-CONNECTION CONTROL

A. Purpose.

To protect the public water supply in the Company's water supply in the Company's water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 115, as adopted by the Arizona Department of Environmental Quality, or Maricopa County Environmental Services Division, as those regulations may be revised from time to time.

B. Inspections.

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

C. Requirements.

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.

3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.

4. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. and Maricopa County Environmental Services Division. The Company shall not require an unreasonable number of tests.

5. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

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Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

- a. assembly identification number and description;
- b. location;
- c. date(s) of test(s);
- d. description of repairs made by tester; and
- e. tester's name and certificate number.

D. Discontinuance of Service.

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, the Company may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or dysfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

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Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

**II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY
LIMITATIONS**

A. The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

III. CURTAILMENT PLAN FOR SUNRISE UTILITIES, L.L.C.

ADEQ Public Water System Number: PWS I.D. # _____

Sunrise Utilities, L.L.C. ("Company") is authorized to curtail water service to all customers, residential and commercial, within its certificated area under the following terms and conditions:

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

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Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

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PART TWO**STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE****Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

Issued _____

ISSUED BY:

Effective _____

George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, AZ 86432

DOCKET _____

Cancelling Sheet No.

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than stage three until a permanent solution has been implemented.

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

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George Timinskas, General Manager
Sunrise Utilities, L.L.C.
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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.

Issued _____

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George Timinskas, General Manager
Sunrise Utilities, L.L.C.
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Littlefield, AZ 86432

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering stage 4.

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Note: If the Company loses all production and has no storage facilities, the Company must rely on emergency hauling or must otherwise provide emergency drinking water for its customers.

IV. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Issued _____

Effective _____

ISSUED BY:

George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, AZ 86432

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Applies to all WASTEWATER service areas

PART THREE**STATEMENT OF CHARGES
WASTEWATER SERVICE****I. RATES**

In Opinion and Order No. _____, dated _____, 2004, the Commission approved the following rates and charges to become effective with _____, 2004:

	<u>Water Service Size</u>	<u>Minimum Charge</u>
A.	General Residential Service	
	All Sizes	\$33.00
B.	Commercial Service	
	All Sizes	\$50.00
C.	Effluent Sales	
1.	All Sizes	On a per 1,000 gallon basis \$.62
2.	All Sized	On a per acre foot basis \$200.00

Issued _____

ISSUED BY:

Effective _____

George Timinkas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, AZ 86432

DOCKET _____

Cancelling Sheet No.

Applies to all WASTEWATER service areas

PART THREE**STATEMENT OF CHARGES
WASTEWATER SERVICE****II. TAXES AND ASSESSMENTS**

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

III. ADDITIONAL CHARGES¹³

A.	Establishment of Service per Rule R14-2-603D (new customer charge, in addition to D, I and J below)	\$20.00 ¹⁴
1.	If after hours	40.00
B.	Re-establishment of Service per Rule R14-2-603D (same customer, same location within 12 months)	Note ¹⁵
C.	Reconnection of Service Per Rule R14-2-603D	50.00

¹³ Additional charges authorized in Paragraph III A, B, C, E, F and G shall not be duplicated for dual service customers.

¹⁴ Initial monthly billing under PART THREE I to new wastewater service for homes under construction shall commence no sooner than 30, and no more than 60 days after the water meter is installed. Wastewater billing to new service at existing locations shall be pro-rated from the start of service.

¹⁵ Number of months off system times the sum of the monthly minimum.

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ISSUED BY:

George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, AZ 86432

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Applies to all WASTEWATER service areas

PART THREE**STATEMENT OF CHARGES
WASTEWATER SERVICE**

1. If after hours	65.00
D. Deposit Requirement ¹⁶ per Rule R140-2-603B	
1. Residential customer	(2 times estimated average monthly bill)
2. Non-residential customer	(2-1/2 times estimated maximum monthly bill)
3. Deposit Interest	3.0%
E. Charge for NSF Check per Rule R14-2-608E ¹⁷	\$20.00
F. Deferred Payment Finance Charge, per month ¹⁸	1.5%

¹⁶ The Company does not normally require a deposit prior to the provision of service. However, if the service is not in the property owner's name, this deposit is required. Also in the event service is disconnected due to nonpayment, this deposit may be required.

¹⁷ This charge shall not apply if wastewater service is paid with the same NSF check used to pay for water service for which a NSF fee is charged.

¹⁸ Deferred payments for wastewater service are only available if established in connection with deferred payments for water service under PART ONE, III(I) of this tariff.

Issued _____

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George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
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Applies to all WASTEWATER service areas**PART THREE****STATEMENT OF CHARGES
WASTEWATER SERVICE**

G.	Late Payment, Per Month, per Rule R14-2-608F	See Notes ^{19 20 21}
H.	Service Calls, per hour After hours only	\$40.00 ²²
I.	Service Lateral Connection Charge ²³ Residential Commercial	\$500.00 Cost ²⁴
J.	Main Extension Tariff, per Rule R14-2-606B	Cost ²⁵

¹⁹ Greater of \$5.00 or 1.5% of the unpaid balances.

²⁰ This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

²¹ Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

²² For service problem found to be on Customer's side of lot line. Company will not repair problem.

²³ The Company shall own the Service Lateral up to the Customer's property line. The Customer shall own the Service Lateral beyond that point. The Company shall maintain and operate the Service Lateral only from the connection to the main line in the street or right-of-way up to its interconnection with the Customer's Service Lateral at the edge of the right-of-way, beyond which maintenance is the Customer's responsibility

²⁴ Per Sheet No. 29.

²⁵ All Main Extensions shall be completed at cost per Sheet No. 29 and shall be non-refundable Contributions-in-Aid-of-Construction.

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Effective _____

ISSUED BY:

George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
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Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

K. Off-Site Facilities Hook-up Fee-Wastewater

1. Applicable to: In addition to any other Arizona Corporation Commission approved charges and requirements for on-site facilities to be installed pursuant to main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.

2. Purpose: To equitably apportion the costs of off-site wastewater facility development among all new service connections.

3. Definitions:

“Applicant” means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service connections.

“Company” means Sunrise Utilities, L.L.C.

“Main extension agreement” means any agreement whereby an applicant agrees to advance the costs of the installation of wastewater facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such wastewater facilities to Company.

“Off-site facilities” means treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include lifts stations,

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George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
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PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

force mains, trunk collection mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

“Service Connection” means and includes all service connections for single-family residential or other uses, regardless of service lateral size.

4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

<u>Service Lateral Size</u>	<u>Total Fee</u>
4"	\$ 1,750.00
6" or greater	3,500.00

5. Terms and Conditions:

- A. Time of payment: In addition to the amounts to be advanced pursuant to a main extension agreement, the applicant for new wastewater services shall pay the Company the Off-site Facilities Hook-up Fee as determined by service lateral size and number of connections to be installed pursuant to the main extension agreement. Payment of the Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the wastewater facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements

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PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company is able to complete construction of the required facilities prior to necessity for service to the Development.

- B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.
- C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

IV. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

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George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, AZ 86432

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Applies to all WASTEWATER service areas

PART FOUR

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

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George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
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Applies to all **WASTEWATER** service areas

PART FOUR

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will

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Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
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PART FOUR

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

Issued _____

ISSUED BY:

Effective _____

George Timinskas, General Manager
Sunrise Utilities, L.L.C.
2960 S. Scenic Boulevard
Littlefield, AZ 86432

8

PUBLIC NOTICE OF AN APPLICATION
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
BY SUNRISE UTILITIES, L.L.C.

Sunrise Utilities, L.L.C. has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water and sewer service to an area in which records indicate that you are a property owner. If the application is granted, Sunrise Utilities, L.L.C. would be the exclusive provider of water and sewer service to the proposed area. Sunrise Utilities, L.L.C. will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application, available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street/Tucson at 400 West Congress, North Building, Room 218, and at Sunrise Utilities, L.L.C. at 2960 Scenic Boulevard, Littlefield, Arizona 86932.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.

D

REQUESTS FOR SERVICES

Please see attached

TAB D

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

We own [40 acres of Section 3, Township 39N Range 16W East] in the Mohave County. This area will be developed into approximately [122] residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,

Woda Ranch Properties LLC

Name: *by [Signature] its manager*

Address: *880 Pennock Ct, Bldg 100 A
Mesquite NV 89027*

Phone No.: *(702) 346-7910*

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

402-77-001 E 7.89A Commercial
402-77-001 F 11.29A
402-77-009 A 38.7
We own [*59*] acres of Section *11*, Township *39* Range *16* *West* in the Mohave County. This area will be developed into approximately [*117*] residential units as soon as all required approvals are obtained. *plus*

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,

DeForest Rahl

Name: DeForest Rahl

Address: P.O. Box 2830
Mesquite NV 89024

Phone No.: _____

February 11, 2004

George P. Timinkas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinkas:

We own [45] acres of Section 11, Township 39N Range 16 ^{WEST} ~~East~~ in the Mohave County. This area will be developed into approximately [180] residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Name: DAVID RALL

Address: P.O. BOX 205
MESQUITE NV 89027

Phone No.: 702-346-6195

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

We own [40 acres of Section 14, Township 39N Range 16 ^{WEST} ~~EAST~~] in the Mohave County. This area will be developed into approximately [160] residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Name: DAVID RALL

Address: P.O. BOX 205
MESQUITE NV 89024

Phone No.: 702-346-6195

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

We own ~~160~~ acres of Section 11, Township 39 Range 16 ~~East~~ in the Mohave County. This area will be developed into approximately 450 residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,

Name: Jeff L. Frehner Verd L. Frehner

Address: P.O. Box 1700
Mesquite, NV

Phone No.: 702-346-2062

2-14-04

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

We own [80 acres of Section 11, Township 39N Range 16W East] in the Mohave County. This area will be developed into approximately [260] residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Name: David C. Hellberg

Address: 3625 Eastwood Dr.
Salt Lake City, UT. 84109

Phone No.: 801-978-4428

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

Own - 220 Acres east of Scenic Blvd - 60 Acres S11T39NR16W
160 Acres S14T39NR16W

We own [___ acres of Section __, Township __ Range __ East] in the Mohave County. This area will be developed into approximately 1300 residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Michael T. Black for
Name: Michael T. Black Family LP

Address: 4511 W. Cheyenne Ave., #601
N. Las Vegas, NV 89032

Phone No.: 702-228-2222

February 11, 2004

George P. Timinskas
Sunrise Utilities L.L.C.
P.O. Box 3630
Mesquite, NV 89027
(702) 346-2280

Re: Request for Utility Service

Dear Mr. Timinskas:

We own [80] acres of Section 10, Township 39N Range 16W] in the Mohave County. This area will be developed into approximately [300] residential units as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities plus Commission approved Hook-up Fees. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulation, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,

Name:

De Forest Roll

Address:

*P.O. Box 2830
Mesquite, NV. 89027*

Phone No.:

702-880-1663